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As submitted confidentially to the Securities and Exchange Commission on August 7, 2014

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PACIFIC DATAVISION, INC.
(Exact name of registrant as specified in its charter)

Delaware	4813	33-0745043
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

100 Hamilton Plaza
Paterson, New Jersey 07505
(973) 771-0300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

John Pescatore
Chief Executive Officer and President
100 Hamilton Plaza
Paterson, New Jersey 07505
(973) 771-0300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

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DLA Piper LLP (US)
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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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	☐

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, par value $0.0001 per share	10,925,000	$22.00	$240,350,000	$

(1) In the event of a stock split, stock dividend or similar transaction involving our common stock, the number of shares registered shall automatically be increased to cover the additional shares of common stock issuable pursuant to Rule 416 under the Securities Act.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended. No exchange or over-the-counter market exists for the registrant's common stock. Shares of the registrant's common stock issued to qualified institutional buyers in connection with a private offering that closed in June 2014 are eligible for trading on the FBR Plus™ System. To the registrant's knowledge, the last sale of share of the registrant's common stock that was reported on the FBR Plus™ System occurred on July 22, 2014 at a price of $22.00 per share.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated August 7, 2014

PRELIMINARY PROSPECTUS

PACIFIC DATAVISION, INC.

10,925,000 Shares of Common Stock

This prospectus relates solely to the resale of up to an aggregate of 10,925,000 shares of our common stock, par value $0.0001 per share, by the selling stockholders identified in this prospectus. The selling stockholders acquired the shares of common stock offered by this prospectus in a private placement in June 2014 in reliance on exemptions from registration under the Securities Act of 1933, as amended (the "Securities Act"). We are registering the resale of these shares of common stock by the selling stockholders to satisfy registration rights we have granted to the selling stockholders.

The selling stockholders may offer to sell the shares of common stock being offered in this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices. We do not know when or in what amount the selling stockholders may offer the securities for sale. The selling stockholders may sell some, all or none of the securities offered by this prospectus.

The selling stockholders will receive all proceeds from the sale of our common stock hereunder, and therefore we will not receive any of the proceeds from their sale of shares of our common stock hereunder. The shares which may be resold by the selling stockholders constituted approximately 92% of our issued and outstanding common stock as of August 7, 2014.

There is currently no public trading market, nor has there ever been a public trading market for our common stock. Our common stock currently trades on a proprietary trading platform developed by FBR Capital Markets & Co. called "FBR Plus™," which provides qualified institutional buyers ("QIBs") access to trading information for companies which have issued restricted securities in private placement transactions exempt from registration pursuant to Rule 144A of the Securities Act. We intend to apply (assuming we meet all other listing requirements) to list our common stock on the NYSE MKT under the symbol "PDVI" upon our becoming a reporting entity under Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act").

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be eligible for reduced public company reporting requirements. See "Summary – We are an Emerging Growth Company."

Investing in our common stock involves significant risks. You should read the section entitled "Risk Factors" beginning on page 10 for a discussion of certain risk factors that you should consider before investing in our common stock.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your investment decision.

Neither the Securities and Exchange Commission (the "SEC") nor any other regulatory body has passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2014

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THE COMPANY HAS NOT REGISTERED THE SHARES OF COMMON STOCK THAT MAY BE SOLD BY THE SELLING STOCKHOLDERS UNDER THE SECURITIES LAWS OF ANY STATE. SELLING STOCKHOLDERS, AND ANY BROKERS OR DEALERS, EFFECTING TRANSACTIONS IN THE SHARES SHOULD CONFIRM THAT THE SHARES HAVE BEEN REGISTERED UNDER THE SECURITIES LAWS OF THE STATE OR STATES IN WHICH SALES OF THE SHARES OCCUR AS OF THE TIME OF SUCH SALES, OR THAT THERE IS AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES LAWS OF SUCH STATES.

You should rely only on the information contained in this prospectus. We have not, and the selling stockholders have not, authorized anyone to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not, and the selling stockholders are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date. Information contained on our website, or any other website operated by us, is not part of this prospectus.

For investors outside the United States: We have not, and the selling stockholders have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

CERTAIN IMPORTANT INFORMATION

Frequently Used Terms

In this prospectus, unless the context suggests otherwise:

- references to "Pacific DataVision," "the Company," "we," "us" or "our" refer to Pacific DataVision, Inc.

The following terms used in this prospectus have the meanings set forth below:

- "iDEN" means Integrated Digital Enhanced Network.
- "Motorola" means Motorola Solutions, Inc. or its subsidiaries.
- "private placement" refers to the Company's June 10, 2014 issuance and private sale of 10,925,000 shares of its common stock pursuant to Rule 144A, Regulation S and Section 4(a)(2) under the Securities Act.
- "PTT" means push-to-talk.
- "Spectrum Assets" refers to certain licenses to spectrum in the 900 MHz spectrum band and operating equipment to be purchased by the company from Sprint pursuant to the Sprint APA.
- "Spectrum Closing" refers to the closing of the transfer of the Spectrum Assets under the Sprint APA.
- "Sprint" means Sprint Corporation or its subsidiaries.
- "Sprint APA" refers to the Asset Purchase Agreement, dated May 13, 2014, as amended on May 28, 2014, between the Company and Sprint.
- "trust" refers to the Delaware statutory trust formed in order to hold the proceeds of the private placement pending the Spectrum Closing.

Explanatory Note Regarding our June 2014 Private Placement

On June 10, 2014, we completed a private placement in which we sold 10,925,000 shares of common stock at a purchase price of $20.00 per share to the selling stockholders identified in this prospectus in reliance on exemptions from registration under the Securities Act. FBR Capital Markets & Co., or FBR, acted as the initial purchaser for the shares sold to investors pursuant to Rule 144A and Regulation S under the Securities Act and as the placement agent for the shares sold to investors pursuant to Regulation D under the Securities Act. The net proceeds from the private placement, after deducting our offering expenses and the payment of the initial purchaser/placement agent discount and placement fees, were approximately $202,832,000. At the closing of the private placement, we placed approximately 96% of the proceeds from the private placement (net of any initial purchaser's/placement agent's discount and placement fees) in the PDV Investor Trust, a Delaware statutory trust pending the Spectrum Closing. Upon the closing of the private placement, FBR Capital Markets & Co. received 0.5% of the gross proceeds raised in the private placement as its initial purchaser/placement agent discount and placement fees. The remaining fees payable to FBR Capital Markets & Co. (6.5% of the gross proceeds raised in the private placement) were placed in an escrow account.

We completed the private placement to fund our acquisition of the Spectrum Assets from Sprint and to implement a nationwide dispatch network. Under our agreement with Sprint, we have agreed to purchase the Spectrum Assets for an aggregate purchase price of $100 million, consisting of $90 million in cash and the issuance of 500,000 shares of our common stock. Our acquisition of the Spectrum Assets is contingent on the receipt of all necessary approvals from the Federal Communications Commission (FCC) and other closing conditions. Pursuant to the terms of the Sprint APA, we have delivered $13.5 million to Sprint as a deposit against our purchase of the Spectrum Assets.

If we are successful in obtaining the necessary FCC approvals and satisfying the other conditions to closing our acquisition of the Spectrum Assets by November 7, 2014, or such later date approved by the selling

stockholders, then we intend to complete the Spectrum Closing within five days of the satisfaction of such closing conditions and the proceeds from the private placement will be released from the trust to the Company and the funds held in the escrow account will be released to FBR Capital Markets & Co.

If we fail to obtain the necessary FCC approvals to complete our acquisition of the Spectrum Assets by November 7, 2014, or such later date approved by the selling stockholders, the shares of common stock issued in the private placement will be redeemed at a redemption price equal to approximately 96% of the gross proceeds from the private placement, or approximately $19.20 per share.

In connection with the private placement, we completed a number of corporate actions, including (among others):

(i) the reincorporation of our company from California to Delaware, which was effected on May 30, 2014;

(ii) the adoption of an amended and restated certificate of incorporation and amended and restated bylaws, which became effective immediately prior to the completion of the private placement;

(iii) the conversion of all outstanding shares of our Series AA Preferred Stock (the only outstanding class of preferred stock) into shares of our common stock on a one-for-one basis, and the conversion of our remaining options to purchase shares of our Series AA Preferred Stock into options to purchase shares of our common stock and the conversion of restricted stock units for shares of our Series AA Preferred Stock into restricted stock units for shares of our common stock, each on a one-for-one basis;

(iv) a 33.11451201-for-1 reverse stock split of all of our outstanding common stock, which was effected immediately prior to the completion of the private placement; and

(v) the termination and exchange of all outstanding warrants to purchase shares of Series AA Preferred Stock into shares of our common stock.

All information in this prospectus reflects the actions listed above that we completed in connection with the private placement, unless the context specifically states otherwise.

Market and Industry Data

Market data used in this prospectus has been obtained from publicly-available information and publications as well as our good faith estimates. We believe that the information contained therein has been obtained from sources believed to be reliable. However, we have not independently verified the data obtained from these sources. Forecasts and other forward-looking information obtained from these sources are subject to the same (as well as additional) qualifications and uncertainties that apply to the other forward-looking statements that are described in this prospectus. In addition, while we are not aware of any misstatements regarding the market or industry data presented herein, such statements involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors” beginning on page 10 of this prospectus.

Trademarks

We own or have rights to use the trademarks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks and trade names that we own or have rights to use that appear in this prospectus include: Pacific DataVision, PDV™, pdvConnect® and Dispatch Plus™, which may be registered or trademarked in the United States. Each trademark or trade name of any other company appearing in this prospectus is, to our knowledge, owned by such other company. Solely for convenience, our trademarks and trade names referred to in this prospectus may appear without the® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus carefully, including, in particular, the "Risk Factors" section beginning on page 10 of this prospectus and the financial statements and related notes included elsewhere in this prospectus before making an investment decision.

Overview

Following our acquisition of the Spectrum Assets from Sprint, we plan to become the only nationwide licensee of spectrum focused on implementing a nationwide dispatch network. We intend to initially deploy our network in 20 of the top metropolitan areas in the United States and to focus on serving dispatch-centric small and medium-sized businesses with fewer than 1,000 employees.

Industry Overview

The demand for wireless telecommunications has grown rapidly, driven by the increased availability of services, technological advancements, regulatory changes, increased competition and lower prices. The number of cellular subscriber connections in the United States has grown from approximately 200,000 as of June 30, 1985 to over 76 million as of June 30, 1999, and to over 325 million today. In addition to these wireless subscriber connections, we believe there are approximately 40 million two-way radios in use today worldwide.

Within the wireless telecommunications industry, we believe that there is a subset of users who demand a tailored solution suited for the dispatch-centric nature of their businesses. These dispatch-centric users typically have extended mobile asset and human resource profiles and have business operations that require simple, instant and reliable communications among their employees and business partners. These businesses operate within industry verticals such as construction, distribution, transportation, field services, waste management and hospitality. Given the nature of their operations, we believe these users prefer instant push-to-talk ("PTT") communication capabilities, which allow them to communicate with one touch of a "button" to another user (one-to-one) or many users (one-to-many) within their organizations. In dispatch applications, PTT provides several advantages to its users over telephony and data-based services, including: an easy-to-operate one-touch button, efficiency of communications and rugged equipment optimal for field use. Overall, PTT provides these users with functionality that increases speed, simplicity and reliability of communications.

Our Market Opportunity

Following our acquisition of the Spectrum Assets from Sprint, we intend to enter 20 of the top metropolitan areas throughout the United States. These initial markets are expected to cover approximately 50% of the U.S. population, or approximately 150 million people.

We believe there are approximately 25.8 million employees that operate within dispatch-centric businesses within these 20 top metropolitan areas. Management estimates that there are approximately 6.8 million PTT users that are employed by our target customers, which are small and medium-sized businesses of 1,000 or fewer employees in the construction, distribution, transportation, field services, waste management and hospitality verticals. These verticals have been, and we believe will continue to be, predominantly dispatch-centric, requiring instant, simple and reliable communications with and between their employees and business partners. This translates to a market size of approximately $2 billion to $5 billion based on a range of monthly unit prices of $25 to $60. In addition, management estimates the demand for PTT dispatch solutions is steady, and growing in excess of approximately 1% per year.

Our Spectrum Opportunity

On May 13, 2014, we entered into the Sprint APA, as amended on May 28, 2014, with Sprint to acquire the Spectrum Assets, including: (i) FCC licenses sufficient to operate a nationwide dispatch network in the 900 MHz spectrum and (ii) certain equipment Sprint used to operate its 900 MHz system. Sprint has decided to divest the Spectrum Assets (which accounts for approximately 60% of the private radio band at 900 MHz) primarily because the channel assignments are non-contiguous and not currently useable for the broadband technology Sprint is deploying. We have agreed to acquire the Spectrum Assets for a total of $100 million, which we estimate at approximately $0.06 per MHz of the U.S. population in our licensed market area ("MHz/POP"), with $90 million paid in cash from the proceeds of the private placement and $10 million paid in shares of our common stock at a price equal to $20.00 per share.

Our acquisition of the Spectrum Assets is contingent on, among other things: (i) the parties receiving all approvals and authorizations required to be obtained from the FCC for the transfer of the Spectrum Assets and all such approvals and authorizations becoming final orders, (ii) the applicable waiting periods under the HSR Act having expired or been terminated (which has been completed) and (iii) no judgment, decree or order having been entered or any other action threatened that would prevent the transfer of the Spectrum Assets.

We submitted applications with the FCC shortly before closing the private placement to transfer the Spectrum Assets necessary to support our nationwide dispatch network. The FCC has granted its consent to the assignment of all six of the applications we submitted. After the FCC provides Public Notice of its consent, there is a minimum of 40 days before the FCC action becomes final, assuming there are no petitions from the public requesting the FCC to reconsider the grant within the first 30 days and the FCC does not set aside its consent on its own motion at any time during the 40-day period. The 40-day finality period for five of the six applications expired on July 20, 2014. The 40-day period for the sixth application will expire on September 8, 2014. Once this period is passed, assuming there are no petitions from the public and the FCC has not set aside its consent on its own motion, we intend to close our transaction with Sprint and will notify the FCC that the transaction has been consummated, which will cause the FCC to reissue the licenses for the Spectrum Assets in our name.

The current non-contiguous spectrum we are acquiring from Sprint is available for immediate use by proven narrowband technologies and we believe is more than sufficient to support our current business plan. We have entered into a reseller agreement with Motorola, who has agreed to provide us with the state-of-the art MotoTRBO technology that we intend to use to deploy our network nationwide. We intend to utilize Motorola's existing dealer network to sell our service. We believe this approach will help to "jump start" our sales and distribution network, thus reducing the typical distribution start-up costs and providing more immediate sales productivity.

In addition, we believe there is an opportunity to request the FCC to repurpose a portion of the 900 MHz spectrum from narrowband to broadband. We also believe that customer demand for high speed data and video services, even in the case of PTT users, should provide an impetus for the FCC to consider and potentially approve a change from narrowband to broadband. We believe there is a directly relevant precedent for this change within the 800 MHz band. In the 1990's, licensees of the 800 MHz spectrum, including Nextel Communications, Inc. ("Nextel"), approached the FCC with a request to revise its rules to permit a rebanding, or reconfiguration, of portions of the spectrum to create a broadband opportunity. The 800 MHz spectrum, on which Sprint is currently deploying portions of its network, is now, as a result of a series of FCC proceedings, a contiguous block of 14 MHz, or 7 MHz by 7 MHz (7x7 MHz).

Our Product Offerings

For our targeted set of dispatch-centric small and medium-sized business customers, we intend to offer our Dispatch Plus communication service that will allow users to instantly set up PTT communications – either

privately (one-to-one) or within a group (one-to-many) – within a regional service area. We have entered into a reseller agreement with Motorola, in which Motorola has agreed to provide us with its state-of-the-art MotoTRBO technology that we intend to use to deploy our network nationwide. We intend to include our proprietary, cloud-based pdvConnect mobile resource management solution as part of our Dispatch Plus communication service. We designed pdvConnect to help companies increase their productivity through the delivery of real-time information from mobile workers to dispatch operators. The solution enables quick response among workers in the field and streamlined dispatch operations through faster exchanges of information by prioritizing messages from the field, which reduces or eliminates wasteful "on hold time" and vehicle idling, and aids in documenting incidents or work activities and collecting operational data to improve customer satisfaction. As a cloud-based solution, pdvConnect allows users to deliver voice messages to any computer (via the internet) or to any phone on any network, thereby greatly enhancing the PTT communication capabilities of field personnel and allowing them to communicate not only with personnel within their organizations, but also with suppliers, vendors and customers.

Our pdvConnect mobile resource management solution will come bundled with our PTT dispatch service. Therefore, each device will be "ready out of the box" and will not require additional downloading of software. We anticipate providing this combined solution at an average monthly price of approximately $30, which we believe will be attractive to our targeted customer base, particularly compared to current services available.

Currently, our target customers use PTT products on large carrier networks (Tier 1) via cellular systems or on local specialized mobile radio ("SMR") networks. However, we believe our proprietary solution should provide significant advantages against each.

Dispatch Plus versus Tier 1 Carrier Dispatch. We believe our solution will be superior to current services provided by the large U.S. carriers due to several key factors, including:

- **Lower price** – At a monthly price of approximately $30, our solution will be less expensive than the monthly service fees currently charged by Tier 1 carriers for comparable features.
- **Simplicity** – Our handsets will allow for one-button dispatch calls and are purpose-built for dispatch.
- **Functionality** – Our network will be dedicated to dispatch (not super-imposed on a network designed for telephony and data), allowing for decreased latency and improved functionality and overall ease of use.
- **Support** – We intend to provide an enterprise-grade, dedicated customer support team.

Dispatch Plus versus Traditional Local SMR Dispatch. We believe our solution is superior to current products offered by local SMR providers due to several key factors, including:

- **Coverage** – We have the opportunity to offer our customers a significantly greater coverage area given our national footprint.
- **Simplicity** – Our unique, patented resource management tool comes included in our solution for one low price. On local SMR networks, some of the functionality, but not all, can be obtained from separate purchases through multiple third-party vendors.
- **Functionality** – We believe the workforce enhancement features included in our pdvConnect mobile resource management solution, which is not offered on local SMR networks, will allow our customers to recognize superior value and return on investment.
- **Capacity** – While many local SMR operators have constrained spectrum, the spectrum we are acquiring from Sprint generally supports significantly more subscribers per target market (See "Business – Our Market Opportunity").

Current Operations. Currently, we provide our mobile resource management solution to thousands of employees at a wide variety of enterprises, ranging from deployments at Fortune 500 companies to local deployments by other businesses, at a monthly unit price up to $20 for our business applications only. We are currently recognized as a leader in mobile workforce management software, providing advanced messaging, dictation, documentation, and location-based solutions. Our solutions enable instant response among workers in the field and streamline operations through faster exchanges of information, prioritized voice messaging, reduced congestion at busy call centers and providing back office operations reports. We also design tailored wireless business solutions to meet the needs of specific customers based on their industry and individualized business needs. Since inception, we have invested over $10 million into developing this proprietary technology.

Management Team Expertise. Our senior management team includes Brian McAuley and Morgan O'Brien, who were the co-founders of Nextel. In addition to Mr. McAuley and Mr. O'Brien, our senior management team also includes several executives, including John Pescatore, our President and Chief Executive Officer, Timothy Gray, our Chief Financial Officer, and Leon Frazier, our Chief Sales and Marketing Officer, each of whom were key in leading the growth of Nextel's dispatch business. Their Nextel business plan first offered business users a dedicated dispatch radio network and then consolidated the fragmented 800 MHz SMR industry and eventually launched a nationwide dispatch radio network. They teamed with Motorola to develop the iDEN technology on which the Nextel dispatch radio network was deployed, and Motorola eventually became a major investor in Nextel when it sold Nextel its 800 MHz operations. After growing the subscriber base to approximately 23 million users, Nextel merged with Sprint at a stand-alone value of $36 billion in 2005. We also anticipate hiring experienced and successful sales, operating, and technology personnel many of whom our senior management team previously worked with at Nextel or at other companies throughout the wireless industry.

Our Competitive Strengths

We believe the following strengths can provide us with a significant competitive advantage in implementing our business strategy:

Executive Team Track Record. Our senior executive team has a long, proven track record, with over 80 years of combined experience in the wireless telecommunications and dispatch radio industry. They are considered to be leaders in the industry and led the creation of the first all-digital nationwide wireless network that brought PTT to the mass business and consumer markets. Brian McAuley and Morgan O'Brien, our Chairman and Vice Chairman, respectively, were the co-founders of Nextel. While Mr. O'Brien remained on the board at Nextel, Mr. McAuley, after serving as Nextel's President and Chief Executive Officer for seven years, went on to found NeoWorld Communications in 1999. NeoWorld was subsequently purchased by Nextel in 2003. In addition, several members of our current management team held leadership roles at Nextel, including our President and Chief Executive Officer, John Pescatore, who also served at NeoWorld, Leon Frazier, our Chief Sales and Marketing Officer, and Timothy Gray, our Chief Financial Officer. We believe the combined strength of our executive team provides us a significant competitive advantage.

Dedicated Network. We believe our ability to provide a dedicated network to our targeted dispatch-centric customers in select markets throughout the United States will be a significant competitive advantage. Although the largest carriers offer a PTT service, these PTT solutions are super-imposed on a network designed primarily for telephony and data-based services. As a result, many short-comings exist. Most apparent are latency, or delay, issues, as well as reduced quality, functionality and overall ease of use. We believe our network solution, which will be dedicated to dispatch, can restore the speed, simplicity and reliability demanded by our targeted dispatch-centric customers and can enhance their communications within their organizations and with their suppliers, vendors and customers.

Bundled Mobile Resource Management Solution. Bundled with our Dispatch Plus service, we intend to provide our customers with our cloud-based pdvConnect mobile resource management solution, for an average total price of approximately $30 per month. While many local SMR dispatch providers are competitive at that price point, we believe our Dispatch Plus service should provide two significant advantages: (i) our service should provide greater coverage given our nationwide presence and (ii) our service will include our proprietary pdvConnect solution, which on local SMR networks, can only be obtained from third party vendors, usually piecemeal.

Attractive Pricing Model. We believe our total solution should provide significant value for our customers and arguably greater value than our competitors' comparable offerings. At an average price of approximately $30 per month, we believe our proprietary solution will be significantly lower in price compared to the monthly fees currently charged by Tier 1 carriers for comparable offerings. In addition, given the amount of "prime" (below 1 GHz) spectrum we are acquiring, and particularly at the price at which we are acquiring it, we believe our cost for spectrum is considerably less than recent industry transactions, which should provide us with the opportunity to provide significant value to both our customers and our investors. We believe this value that we can offer to our customers will drive our ability to attain market share and increase our market penetration.

Robust Financial Model. We believe several advantages in our business model will drive attractive financial returns. We plan to deploy a network using high-site, high-power architecture, our network infrastructure which will only require 10 to 12 sites per market, as compared to hundreds of sites required by the low-site, low-power architectures that many of our competitors utilize. We believe this will drive significantly lower operating expense and capital expense obligations versus Tier 1 carriers. In addition, based on our senior management's experience at Nextel and our familiarity with the industry, we believe that the churn rate of our target customers will be significantly lower than the churn rate experienced by Tier 1 carriers, driving a more predictable revenue stream.

Strategic Relationships. We have long-standing relationships with customers, vendors and wireless industry leaders. We have entered into a reseller agreement with Motorola, in which Motorola has agreed to provide us with the state-of-the-art MotoTRBO technology that we intend to use to deploy our network nationwide. We have entered into a letter of intent with Motorola under which it has indicated its intent to invest up to $10 million in a newly formed subsidiary of ours and to lease some of the Spectrum Assets. In addition, we intend to leverage Motorola's nationwide dealer network, which we believe consists of over 750 dealers nationwide in more than 1,500 locations, to sell our service. We believe this will enable us to reduce the upfront cost of establishing a nationwide sales and distribution network and allow us to more quickly achieve sales productivity. In addition, we believe our long-standing relationships with our customers and wireless industry leaders will help us rapidly develop our dispatch network.

Our Business Strategy

We intend to seek to generate revenue growth through the following strategies:

Establish a Nationwide Presence. Following our acquisition of the Spectrum Assets, we will be a licensee of nationwide spectrum in the 900 MHz band. We intend to establish a nationwide presence by first entering 20 of the top metropolitan areas in the United States. Within these markets, we intend to provide a dedicated network to our targeted dispatch-centric customers, which we believe will reduce many of the functionality issues these customers currently experience on the Tier 1 carrier networks and will allow for full operability, even during high usage events. As a nationwide dispatch provider, we will have the opportunity to offer the greatest dispatch coverage area in the U.S., which will allow us to serve businesses with a presence in more than one local market. In addition, we believe this national presence should provide us both scale and leverage that existing local SMR competitors may have difficulty achieving.

Provide a Differentiated Service. Following Sprint's decision to de-commission its iDEN network in June 2013, we believe that a compelling opportunity to provide a differentiated PTT service has emerged. We intend to provide our differentiated Dispatch Plus solution using state-of-the-art technology on dedicated networks in 20 major markets throughout the United States. Dispatch Plus, comprised of PTT communications and our proprietary pdvConnect solution, should provide our customers with instant PTT communications abilities combined with a holistic workforce management solution, pdvConnect, that allows our customers to achieve greater workplace efficiency and return on investment. We believe Dispatch Plus should provide our target customer group with the speed, simplicity, reliability and efficiency they demand.

Acquire and Retain the Most Valuable Customers. We intend to focus on acquiring and retaining the most valuable customers spanning industry verticals that have historically been dispatch-centric. These verticals include construction, distribution, transportation, field services, waste management, and hospitality. Given the potential advantages of our service over current PTT and dispatch solutions, we believe that we have the opportunity to gain market share as our customers choose our solution for a variety of factors, including price, quality of service, functionality, reliability and ease of use. Based on our senior management's experience at Nextel and our familiarity with the industry, we believe that the churn rate of our target customers will be significantly lower than the churn rate experienced by Tier 1 carriers.

Leverage our Established Industry Relationships. Due to our executive team's long, proven track record, we have significant market expertise and established industry relationships. We have significant relationships with wireless industry leaders and PTT operators. We intend to leverage these in order to provide us with both a strategic and operational advantage. In addition, we intend to leverage our existing relationships to hire and retain experienced and successful sales, operating, and technology personnel. We have entered into a reseller agreement with Motorola, who has agreed to provide us with the state-of-the art MotoTRBO technology that we intend to use to deploy our network nationwide. We also intend to utilize Motorola's existing dealer network to sell our service. We believe this approach will "jump start" our sales and distribution network, thus reducing the typical distribution start-up costs and providing more immediate sales productivity.

Strategically Expand and Enhance Geographic Market Presence. Once we have successfully entered our initial 20 target markets, we intend to seek to further expand and enhance our geographic market presence into smaller, medium-sized markets through a variety of means, including deploying our own systems, leasing, or franchising operations throughout the United States.

Increase the Value of Our Spectrum. Upon the closing of the acquisition of the Spectrum Assets, we will hold approximately 60% of the licenses within the 900 MHz band. While we intend to provide our Dispatch Plus product on narrowband technologies over the shorter term, we anticipate demands for high speed data and video services, even in the case of PTT users, should provide an impetus for change over the longer term. We believe our past successes, combined with our anticipated market position as a leading private dispatch carrier, can put us in an optimal position to become a leading private broadband carrier. We anticipate that we will have an opportunity in the future to request that the FCC repurpose a portion of our spectrum. Further, we believe this strategy can significantly increase the value of our spectrum, possibly leading to 3x3 MHz broadband opportunities. However, we expect FCC consideration of such repurposing of the spectrum to take a significant amount of time, and there is no assurance that the FCC will approve the repurposing of the spectrum. Furthermore, the FCC approval may be subject to legal objections from other licensees and users of the 900 MHz spectrum. As a result, there is no assurance that we will ultimately be successful in obtaining the necessary approvals required to repurpose a portion of the 900 MHz spectrum from narrowband to broadband.

Redemption of Shares Issued in the Private Placement

Our acquisition of the Spectrum Assets is essential to our ability to provide our PTT dispatch services. There can be no assurance that we will be able to acquire the Spectrum Assets as described herein or at all. We have established a Delaware statutory trust and placed approximately 96% of the proceeds from the private placement, net of any initial purchaser's/ placement agent's discount or placement fee, in the trust. The trust is governed by a trust agreement, under which Wilmington Trust, National Association serves as trustee. If we believe that we may be unable to complete the acquisition of the Spectrum Assets before November 7, 2014, we have the right to ask the holders of a majority of the shares of common stock issued in the private placement to approve an extension of time to complete the acquisition. If we are unable to complete the acquisition of the Spectrum Assets prior to such date, subject to the company requesting in writing an extension from holders of a majority of the shares of common stock originally issued in the private placement and such extension being approved prior to November 7, 2014, the shares of common stock originally issued in the private placement will be redeemed at a redemption price equal to approximately 96% of the gross proceeds from the private placement, or approximately $19.20 per share.

Company Information

We were incorporated in California in1997, and reincorporated in Delaware in May 2014. Our principal executive offices are located at 100 Hamilton Plaza, Paterson, New Jersey 07505. Our main telephone number is (973) 771-0300. Our internet website is located at http://www.pdvcorp.com. Information contained on our website is not part of the registration statement of which this prospectus is a part.

Summary Risk Factors

An investment in the shares of our common stock involves risks. You should consider carefully the risks discussed below and described more fully along with other risks under "Risk Factors" in this prospectus before investing in our common stock; including

- We may not be successful in acquiring the Spectrum Assets from Sprint Corporation.
- The wireless communications industry is highly competitive, and in order for us to compete effectively we will need to gain market share.
- We have no operating history with respect to our proposed business, which makes it difficult to evaluate our prospects and future financial results, and our business may not be successful.
- We have had net losses each year since our inception and may not achieve or maintain profitability in the future.
- Government regulation could adversely affect our prospects and results of operations; the FCC and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects, future growth or results of operations.
- Some of our competitors are financially stronger than we are, which may limit our ability to compete based on price.
- Spectrum is a limited resource, and we may not be able to obtain sufficient spectrum to support our planned business operations and future growth.
- We depend on key personnel.
- There is currently no public market, nor has there ever been a public market for shares of our common stock, a trading market for our common stock may never develop, and our common stock prices may be volatile which could cause the value of investment in our common stock to decline.

We are an Emerging Growth Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company we are eligible for exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including, but not limited to:

- Being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- Not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- Reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- Exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of this offering, (b) in which we have total annual gross revenue of at least $1.0 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in this registration statement and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different from what you might receive from other public reporting companies in which you hold equity interests.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies.

References herein to "emerging growth company" shall have the meaning associated with it in the JOBS Act.

The Offering

Common Stock Offered by the Selling Stockholders	A total of up to 10,925,000 shares of our common stock. The selling stockholders may from time to time sell some, all or none of the shares of common stock pursuant to the registration statement of which this prospectus is a part.
Shares of Common Stock Outstanding(1)	11,830,290
Use of Proceeds	The selling stockholders will receive all of the proceeds from the sale of shares of our common stock. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.
Dividend Policy	We currently intend to retain our future earnings, if any, to finance the development and expansion of our business and, therefore, do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments and such other factors as our board of directors deems relevant in its discretion. See "Dividend Policy."
Risk Factors	Investing in our common stock involves a high degree of risk. For a discussion of factors you should consider in making an investment, see "Risk Factors" beginning on page 10.
Proposed NYSE MKT Market Symbol	"PDVI"

(1) The number of shares of our common stock outstanding is based on the number of shares of our common stock outstanding as of June 30, 2014, including the shares held by the selling stockholders. This number does not include:

(i) issued and outstanding stock options to purchase 57,841 shares of our common stock at a weighted average exercise price of $19.25 per share;

(ii) issued and outstanding stock options to purchase 965,750 shares of our common stock at a weighted average exercise price of $20.00 per share;

(iii) issued and outstanding restricted stock units for 126,251 shares of our common stock;

(iv) warrants to purchase 24,836 shares of our common stock at a weighted average exercise price of $145.44 per share;

(v) 65,000 shares of our common stock to be issued in connection with the cancellation of $1.3 million of outstanding debt, contingent upon the Spectrum Closing;

(vi) 76,684 shares of our common stock to be issued in connection with the automatic conversion of the outstanding redeemable notes (based on outstanding interest as of June 30, 2014), contingent upon the Spectrum Closing;

(vii) 234,250 shares of our common stock which available for future issuance under our 2014 Stock Plan and the annual increases in the number of shares authorized under our 2014 Plan beginning on January 1, 2015; and

(viii) 500,000 shares of common stock to be issued to Sprint, contingent upon the Spectrum Closing.

RISK FACTORS

An investment in our common stock involves a high degree of risk and should be considered highly speculative. Before making an investment decision, you should carefully consider the following risk factors, which address the material risks concerning our business and an investment in our common stock, together with the other information contained in this prospectus. If any of the risks discussed in this prospectus occur, our business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected, in which case the trading price of our common stock could decline significantly and you could lose all or part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Cautionary Note Concerning Forward-Looking Statements."

Risks Related to Our Business

We have no operating history with respect to our proposed business, which makes it difficult to evaluate our prospects and future financial results, and our business may not be successful.

Although we were incorporated in 1997, we have had limited operations, and our business model and strategy will change significantly after our acquisition of the Spectrum Assets. As a result, with our existing business, our ability to forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model our future growth and expenses. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by new businesses in highly competitive markets. If our assumptions regarding these uncertainties are incorrect or change in reaction to changes in our markets, or if we do not manage or address these risks successfully, our results of operations could differ materially from our expectations, and our business could suffer. In addition to acquiring the Spectrum Assets, any success that we may experience in the future will depend, in large part, on our ability to, among other things:

- build out and expand our network;
- expand and retain our customer base on a cost-effective basis;
- attract dealers to sell our services;
- add new customers and increase revenues from existing customers by adding users, devices and additional services;
- maintain our existing services business, which requires the continuation of our existing relationships with other wireless communications services providers;
- successfully compete in our markets;
- continue to add features and functionality to our solutions to meet customer demand;
- integrate our existing technologies with the PTT systems we are deploying; and
- scale our internal business operations in an efficient and cost-effective manner.

We have had net losses each year since our inception, and may not achieve or maintain profitability in the future.

We have incurred net losses each year since our inception, including net losses of $1,239,918 and $1,211,821 in the fiscal years ended March 31, 2013 and 2014, respectively. We may incur significant losses in the future for a number of reasons, including without limitation the risks and uncertainties described in this registration statement related to our new business model and strategy. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in losses in future periods. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our financial performance will be harmed.

The wireless communications industry is highly competitive, and in order for us to compete effectively we will need to gain market share.

There are currently several national wireless communications services providers and local two-way radio operators providing two-way PTT dispatch services. Moreover, the market for PTT dispatch services is entrenched. In order for us to compete effectively we will need to demonstrate the superiority of our services and products and convert customers from existing services providers. Our efforts to convert customers from existing services providers will be made more difficult by the fact that the market for PTT dispatch services is highly fragmented, and we will need to tailor our marketing approach to many different categories of customers. If we are unable to acquire a substantial number of customers, our ability to grow our business and our operating results will suffer.

Some of our competitors are financially stronger than we are, which may limit our ability to compete based on price.

Because of their resources and, in some cases, ownership by larger companies, some of our competitors are financially stronger than we are, which may enable them to offer services to customers at prices that are below the prices at which we can offer comparable services. If we cannot compete effectively based on the price of our service offerings, our revenues and growth may be adversely affected.

Additionally, national wireless communications services providers that offer cellular phone services that do not incorporate a PTT function often provide subscribers with free handsets as an enticement to sign up for their particular suite of services. The higher cost of the handsets that we market, as compared to digital handsets that do not incorporate a similar multi-function capability, may make it more difficult or less profitable for us to attract customers. Moreover, the higher cost of our handsets combined with the offering of free handsets by some wireless communications services providers will require us to absorb part of the cost of offering our handsets to new and existing customers. These increased costs and handset subsidy expenses may reduce our growth and profitability.

If other wireless vendors or services providers improve their existing PTT dispatch services that become comparable to ours, our competitive advantage will be reduced.

One of the primary ways in which we will differentiate ourselves is through our two-way PTT services. A number of wireless equipment vendors already offer or plan to offer wireless equipment that is capable of providing PTT services or technologies that compete or will compete with our services and technology. If these PTT services or technologies are perceived to be or become, or if any such services introduced in the future are, comparable to our PTT service or technology, our competitive advantage would be reduced, which in turn could adversely affect our business.

Moreover, the largest national wireless communications services providers by revenue do not currently focus on PTT dispatch services as a primary component of their businesses. However, if that were to change, it would likely be difficult for us to compete effectively with such providers. These larger services providers have larger existing customer bases that they will be able to introduce PTT dispatch services to, have more money to spend on research and development that may enable them to create products that are qualitatively superior to ours and may have the ability to operate successfully on a smaller profit per subscriber margin due to the larger volume of subscribers they service.

If we do not keep pace with rapid technological changes, we may not be able to attract and retain customers.

We will need to be able to evolve the technology that we rely upon in supplying the suite of services that we offer in order to solve the problems of our business customers. Future technological advancements may occur quickly and may enable other wireless technologies to equal or exceed our current levels of service and render

our technology obsolete. If we are unable to meet future advances in competing technologies on a timely basis, or at an acceptable cost, we may not be able to compete effectively and could lose customers to our competitors. In addition, competition among the differing wireless communications technologies could:

- further segment the user markets, which could reduce the demand for, and competitiveness of, our technology; and
- reduce the resources devoted by third party suppliers, such as Motorola, to developing or improving the technology for our systems.

If our customers do not adopt our technology or if they do not renew their services with us, our future revenue and operating results will be harmed.

In order to begin selling our services we must launch our network and build a customer base. Our strategy depends on building and maintaining a loyal customer base, because we will not have long-term contracts. Because of the number of participants in the industry, we will need to work with sales and service teams like Motorola's nationwide dealer network to obtain customers and maintain those relationships. Also, if we do not develop new solutions, features and functionality that meet our customers' needs, we may lose customers. If our efforts to gain customers and sell our services are not effective, our business will suffer.

Given our limited operating history, we are unable to accurately predict our customer expansion or renewal rates. Our customer expansion and renewal rates may decline or fluctuate as a result of a number of factors, including the level of their satisfaction with our solutions or our customer support, customer budgets and the pricing of our solutions compared with the solutions offered by our competitors, any of which may cause our revenue to grow more slowly than expected, if at all.

If we do not enter our targeted markets quickly enough, it may not be possible for us to compete effectively.

We currently intend to deploy our products and services in 20 of the largest metropolitan areas throughout the United States. In addition to containing a large number of potential customers, these markets are strategically located throughout the United States in order to provide our brand with a high degree of visibility that will help us grow and potentially expand into other markets at a later time. However, if we are not able to offer our products and services in these crucial markets quickly enough, other services providers may be able to deploy their services and products and sign up a large enough number of subscribers in these markets in the interim, which would make it impossible for us to enter these markets. If we are unable to enter these markets, we do not believe that we will be able to compete effectively, and our profitability and growth will be negatively affected.

We rely on the equipment and selling efforts of other parties, such as Motorola, and if such parties are unable or unwilling to provide us with such equipment or selling efforts, our operations will be adversely affected.

Our Dispatch Plus wireless communication technology relies on the efforts of other parties, such as Motorola's nationwide dealer network, to act as a sales force. We will also need to rely on other parties to provide us with technological improvements designed to expand our wireless capacity and improve our services. Accordingly, we must rely on other parties, such as Motorola, to develop handsets and equipment capable of supporting the features and services that we plan to offer to our customers. In addition to relying on other parties for technology and equipment, we rely on an indirect sales force to market our products and services to customers.

The parties that we rely upon could choose not to promote our services or may receive better incentives from our competitors. If these or other factors affecting our relationship with such parties were to result in a significant adverse change in such parties' ability or willingness to provide handsets and related equipment and software applications, or to develop new technologies or features for us, or in such parties' ability or willingness

to do so on a timely, cost-effective basis, we may not be able to adequately service our existing subscribers or add new subscribers and may not be able to offer competitive services. Accordingly, a decision by one of these parties to discontinue manufacturing, supporting or enhancing our infrastructure and handsets or to discontinue marketing our products would have a material adverse effect on us.

The parties we rely upon to supply our wireless communications equipment are also significant suppliers of wireless communications equipment to our competitors. These other parties may elect to focus a greater amount of their financial and other resources on the development of enhanced features functionality of standards-based wireless equipment used by our competitors rather than the equipment used by us. In such an event, we might be forced to supply our customers with equipment that is either more costly or qualitatively inferior to the equipment offered by our competitors.

We expect to continue to rely principally on Motorola and other parties to market our products and to manufacture a substantial portion of the equipment necessary to construct, enhance and maintain our network and handset equipment for at least the next several years. The failure by these other parties to perform as expected could impose significant additional costs on us.

Agreements with suppliers, such as Motorola, may reduce our operational flexibility and may adversely affect our growth or operating results.

Suppliers, such as Motorola, provide the infrastructure equipment and substantially all of the handsets throughout our markets under agreements that set the prices we must pay to purchase and license this equipment, as well as a structure to develop new features and make long-term improvements to our network. These agreements may reduce our operational flexibility. Our arrangements with suppliers may delay or prevent us from employing new or different technologies that perform better or are available at a lower cost because of the additional economic costs and other impediments to change generally as well as those that arise under the supplier agreements. In the event that Motorola or another one of our suppliers is unable to deliver the hardware or other equipment which are necessary for our operations, we may not be able to service our clients on a timely basis and our business and growth may be adversely affected.

The products and services utilized by us and our suppliers and service providers may infringe on intellectual property rights owned by others.

Some of our products and services use intellectual property that we own. We also purchase products from suppliers, including hardware and device suppliers and outsource services to service provides that incorporate or utilize intellectual property which we do not own. From time to time our suppliers have received, and we and our suppliers may receive in the future, assertions and claims from third parties that the products or software utilized by us or our suppliers and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier or service provider to discontinue certain activities or to discontinue selling the relevant products and services. Even when unsuccessful, these claims can be time-consuming and costly to defend, and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks, which could adversely affect our results of operations.

If our wireless communications technology does not perform in a manner that meets customer expectations, we will be unable to attract and retain customers.

Customer acceptance of the services we offer is and will continue to be affected by technology-based differences and by the operational performance and reliability of our network as compared to the networks of our competitors. Participants within our targeted markets may, instead of switching to our Dispatch Plus services through pdvConnect, determine that their communication needs are already adequately serviced by other means

of communication and continue using such other means. We may have difficulty attracting and retaining customers if we are unable to resolve quality issues related to our network as they arise or if those issues were to:

- limit our ability to expand our network coverage or capacity as currently planned; or
- place us at a competitive disadvantage to other wireless service providers in our markets.

The current economic environment has made it difficult for businesses and consumers to obtain credit, which could cause our suppliers, distributors and subscribers to have problems meeting their contractual obligations with us.

If our suppliers are unable to fulfill our orders or meet their contractual obligations with us, we may not be able to obtain the services or devices required to meet the needs of our current and future subscribers, which could cause us to lose current and potential subscribers to other carriers. If our subscribers are unable to pay their bills or potential subscribers feel they are unable to take on additional financial obligations, they may be forced to forgo our services, which could negatively affect our results of operations.

We may face pressure to reduce prices, which could adversely affect operating results.

We and our competitors may decrease prices or increase service and product offerings, resulting in declining average monthly revenue per subscriber in the wireless industry overall. Competition in pricing and service and product offerings may also adversely impact customer retention. To the extent that we continue to offer more competitive pricing packages, our average monthly revenue per subscriber may decrease, which would adversely affect our results of operations. If this happens, it may be increasingly difficult for us to remain competitive. We may encounter market pressures to:

- migrate existing customers to lower priced service offering packages;
- restructure our service offering packages to offer more value;
- reduce our service offering prices; or
- respond to particular short-term, market specific situations, such as special introductory pricing or particular new product or service offerings, in a particular market.

Government regulation could adversely affect our prospects and results of operations; the FCC and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects, future growth or results of operations.

The FCC and other federal, state and local, as well as international, governmental authorities have jurisdiction over our business and could adopt regulations or take other actions that would adversely affect our business prospects or results of operations.

The licensing, construction, operation and sale of wireless telecommunications systems are regulated by the FCC and, depending on the jurisdiction, international, state and local regulatory agencies. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to how radio spectrum is used by licensees, the nature of the services that licensees may offer and how the services may be offered, and resolution of issues of interference between spectrum bands.

The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. There is no guarantee that our licenses will be renewed. Failure to comply with FCC requirements applicable to a given license could result in revocation or non-renewal of our licenses, depending on the nature and severity of the non-compliance.

Various states are considering regulations over terms and conditions of service, including certain billing practices and consumer-related issues that may not be pre-empted by federal law. If imposed, these regulations

could make it more difficult and expensive to implement national sales and marketing programs and could increase the costs of our wireless operations.

Government regulations determine how we operate, which could increase our costs and limit our growth and strategy plans.

The FCC regulates the licensing, operation, acquisition and sale of the licensed spectrum that is essential to our business. We may be subject to FCC regulations that impose obligations on wireless providers, such as federal Universal Service Fund obligations, which require communications providers to contribute to a fund that supports subsidized communications services to underserved areas and users; rules governing billing, subscriber privacy and customer proprietary network information; roaming obligations; rules that require wireless service providers to configure their networks to facilitate electronic surveillance by law enforcement officials; rules governing spam, telemarketing and truth-in-billing; and rules requiring us to offer equipment and services that are accessible to and usable by persons with disabilities, among others. If we fail to comply with applicable FCC regulations, we may be subject to sanctions, which may have a material adverse effect on our business. Future changes in regulation or legislation could impose significant additional costs on us either in the form of direct out of pocket costs or additional compliance obligations. The FCC and Congress may make additional spectrum available for communications services, which may result in the introduction of additional competitive entrants to the already crowded wireless communications marketplace.

Further, some state and local jurisdictions have adopted legislation that could affect our costs and operations in those areas. For example, some jurisdictions have adopted laws restricting or prohibiting the use of portable communications devices while driving motor vehicles, often including PTT devices. If similar laws are enacted in other jurisdictions, we may experience reduced subscriber usage and demand for our services, which could have a material adverse effect on our results of operations.

Our business could be negatively impacted by disruptions arising from causes beyond our control.

Major equipment failures, catastrophic events, power anomalies or outages, natural disasters, including severe weather, terrorist acts or breaches of network or information technology security that affect wireless networks, including transport facilities, communications switches, routers, microwave links, cell sites or other equipment or third-party owned local and long-distance networks on which we rely, could have a material adverse effect on our operations.

We may be limited in our ability to grow unless we expand network capacity and coverage and address increased demands on our business systems and processes as needed.

Our business model depends on our ability to build and grow our subscriber base. In addition to acquiring the Spectrum Assets, to successfully increase our number of subscribers and pursue our business plan, we must economically:

- expand the capacity and coverage of our network;
- potentially obtain additional spectrum in some or all of our markets;
- secure sufficient transmitter and receiver sites at appropriate locations to meet planned system coverage and capacity targets;
- obtain adequate quantities of base radios and other system infrastructure equipment; and
- obtain an adequate volume and mix of handsets and related accessories to meet subscriber demand.

If we are unable to achieve increased network capacity, or there are substantial delays in doing so, we could be required to invest additional capital in our infrastructure to satisfy our network capacity needs and otherwise may not be able to successfully increase our number of subscribers.

Our operating performance and ability to retain these new customers may be adversely affected unless we are able to timely and efficiently meet the demands for our services and address any increased demands on our customer service, billing and other back-office functions. If we outsource aspects of our customer care function to third parties, we cannot be sure that this outsourcing will not heighten these risks.

Our reputation and business may be harmed and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our, or our subscribers', information or other breaches of our information security.

We make extensive use of online services and centralized data processing, including through third-party service providers. The secure maintenance and transmission of customer information is an important element of our operations. Our information technology and other systems that maintain and transmit customer information, including location or personal information, or those of service providers, may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by unauthorized intentional or inadvertent actions or inactions by our employees, or those of a third-party service provider. Cyber attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, have increased in frequency, scope and potential harm in recent years. While, to date, we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future. As a result, our subscribers' information may be lost, disclosed, accessed, used, corrupted, destroyed or taken without the subscribers' consent.

In addition, we and third-party service providers process and maintain our proprietary business information and data related to our business-to-business customers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of service providers, may also be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by unauthorized intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. We also purchase equipment from third parties that could contain software defects, malware, or other means by which third parties could access our network or the information stored or transmitted on such networks or equipment. As a result, our business information, or subscriber or supplier data may be lost, disclosed, accessed, used, corrupted, destroyed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or customer information and delays in detecting any such compromise or loss could disrupt our operations, impact our reputation and subscribers' willingness to purchase our service and subject us to additional costs and liabilities, including litigation, which could be material.

Risks Related to Our Acquisition and Use of Spectrum

We may not be successful in acquiring the Spectrum Assets from Sprint Corporation.

On May 13, 2014, we entered into the Sprint APA to acquire the Spectrum Assets from Sprint. The Spectrum Closing is contingent on, among other things: (i) the parties receiving all approvals and authorizations required to be obtained from the FCC for the transfer of the Spectrum Assets and all such approvals and authorizations becoming final orders, (ii) the applicable waiting periods under the HSR Act having expired or been terminated (which has been completed), (iii) no judgment, decree or order having been entered or any other action threatened that would prevent the transfer of the Spectrum Assets, (iv) the parties obtaining all other third party consents required to be obtained from any governmental authority to complete the transfer of the Spectrum Assets and (v) the parties successfully having negotiated and entered into a transition services agreement. In addition, Sprint may terminate the Sprint APA prior to the Spectrum Closing if any one of the following events occur: (a) if the FCC does not consent to the transfer of the licenses within 180 days after Sprint files the

applications to transfer the licenses; provided, however, that if such consent has not been obtained due to no fault of either party, the 180 day period will be automatically extended for up to two periods of 90 days each, for a total of an additional 180 days (for an aggregate total of 360 days); (b) by Sprint, if FCC consent has not been obtained within 360 days after Sprint files the applications to transfer the licenses, subject to Sprint's option to extend the term of the Sprint APA in its sole discretion for an additional 90 day period; or (c) if we materially breach any of our representations and warranties, covenants or agreements in the Sprint APA, which breach is not cured within 30 days after receipt of written notice thereof. There can be no assurance that we and/or Sprint will be able to satisfy all the necessary closing conditions to complete the Spectrum Closing before the shares sold in the private placement are required to be redeemed (November 7, 2014 unless extended by the selling stockholders), or at all. In addition, there can be no assurance that we can take all necessary actions to prevent, or that no event will occur that allows, Sprint to terminate the Sprint APA before the Spectrum Closing. Any failure to complete the Spectrum Closing will prevent us from acquiring the Spectrum Assets, and pursuing our business objective to become a nationwide provider of a dedicated dispatch network. See "Risks Related to the Redemption."

All FCC approvals and final orders required to transfer all of the Spectrum Licenses may not be obtained prior to November 7, 2014, or at all.

The Spectrum Closing is contingent upon the receipt of all FCC approvals and authorizations required to transfer the Spectrum Assets from Sprint to our company becoming final orders. The FCC has granted its consent to the assignment of all six of the applications submitted to the FCC to transfer the Spectrum Assets from Sprint to our company. However, after the FCC provides Public Notice of its consent, there is a minimum of 40 days before the FCC action becomes final, assuming there are no petitions from the public requesting the FCC to reconsider the grant within the first 30 days and the FCC does not set aside its consent on its own motion at any time during the 40-day period. We cannot assure you that a third party will not file an objection or commence an administrative or legal action objecting to the transfer of all, or some part, of the Spectrum Assets or that the FCC will not reconsider its consent during the 40-day period. As a result, we cannot assure you that all necessary FCC approvals and authorizations required to transfer the Spectrum Assets to our company will be obtained or that such approvals and authorizations will become final orders prior to November 7, 2014, or at all.

Moreover, we cannot assure you that the FCC will approve the transfer of all of the Spectrum Assets included in the Sprint APA. The FCC or a third party may object to the transfer of one or some group of the Spectrum Assets. We do not intend to seek to complete the Spectrum Closing unless FCC approvals and authorizations are received for the Spectrum Assets necessary to conduct our planned business as a nationwide dedicated dispatch network provider. Nevertheless, if the required FCC approvals are not obtained for what we determine is an immaterial portion of the Spectrum Assets, when considered in the aggregate, we will likely elect to complete the Spectrum Closing anyway. Any failure to acquire all of the Spectrum Assets may require us to acquire substitute spectrum licenses, or limit the service we are able to provide in one or more service areas.

Spectrum is a limited resource, and we may not be able to obtain sufficient spectrum to support our planned business operations and future growth.

Spectrum is a limited resource that is regulated in the United States by the FCC. The Spectrum Assets in the Sprint APA include geographic SMR licenses and site-specific B/ILT licenses. If we successfully acquire the Spectrum Assets, we believe approximately 6 MHz of spectrum on average will be available to our company in the top 20 markets in the United States, although we might not achieve 6 MHz of spectrum in each of the top 20 markets. We believe this non-contiguous spectrum is more than sufficient to allow us to operate a nationwide dedicated dispatch network using proven narrowband technologies. Nevertheless, we may need to acquire additional spectrum in the future as our business grows or we introduce new products or technologies. We may seek to acquire additional spectrum through negotiated purchases, in government-sponsored auctions of spectrum or otherwise. We cannot assure you, however, that we will be successful in acquiring the additional spectrum we

may need to support our future growth, our future network rollout plans or our future product and technology introductions on commercially reasonable terms, or at all. Any failure to obtain the spectrum required for our current and future business plans will adversely impact our revenues and our future growth potential.

Any efforts we pursue to increase the value of our spectrum may not be successful.

Upon the Spectrum Closing, we will hold licenses covering approximately 60% of the 900 MHz spectrum. While this should provide us with sufficient spectrum to allow us to operate a nationwide dedicated dispatch network using proven narrowband technologies, we believe that future demands for high speed data and video services, even in the case of PTT users, should provide an impetus for change to broadband technologies. As a result, we believe that we will have an opportunity in the future to participate in a request to the FCC to repurpose a portion of our spectrum from narrowband to broadband, possibly leading to 3x3 MHz broadband opportunities. Nevertheless, to pursue this strategy, we will be required to make additional spectrum purchases and to reconfigure our non-contiguous spectrum to achieve a contiguous nationwide 3x3 MHz position. Our ability to successfully implement this strategy may take more time and be more expensive than we currently anticipate, and we ultimately may not be able to complete the necessary spectrum acquisitions and reconfiguration. In addition, even if we can obtain a contiguous nationwide 3x3 MHz position, we expect FCC consideration of any repurposing request to take a significant amount of time, and there is no assurance that the FCC will approve the repurposing of the 900 MHz spectrum. We also anticipate that FCC approval may be subject to legal objections from other licensees and users of the 900 MHz spectrum. As a result, there is no assurance that we will ultimately be successful in obtaining the necessary approvals required to repurpose a portion of the 900 MHz spectrum from narrowband to broadband.

Risks Related to the Redemption

The company may be required to redeem the shares issued in the private placement at an aggregate redemption price equal to approximately 96% of the gross proceeds from the private placement, or approximately $19.20 per share.

We have established a Delaware statutory trust, in connection with the private placement and have placed 96% of the gross proceeds from the private placement, net of the initial purchaser's/placement agent's discount or placement fee paid to FBR, in the trust. The trust is governed by a trust agreement, under which Wilmington Trust, National Association serves as trustee. If we are unable to complete the acquisition of the Spectrum Assets by November 7, 2014, we are obligated to redeem the shares of common stock issued in the private placement at an aggregate price equal to approximately 96% of the gross proceeds from the private placement. As of the date of this prospectus, the trust has already released $13.5 million of the funds to Sprint as a deposit for the Spectrum Assets. If the Spectrum Closing is not consummated, Sprint is required to return the $13.5 million deposit. If the Spectrum Closing does not occur by November 7, 2014, the proceeds held in the trust will be delivered to Continental Stock Transfer and Trust, our transfer agent, to complete the redemption. We are using the trust to help ensure that, if the Spectrum Closing does not occur, the proceeds from the private placement (i) can be returned to the investors, (ii) are not deemed to be our property, (iii) remain segregated, (iv) cannot be controlled by us, and (iv) are not otherwise available for use by us. Nevertheless, we cannot assure you that the trust structure outlined above cannot be attacked by creditors or that creditors cannot assert claims against us and the proceeds held in trust. If for example, some unknown or unpredictable event or condition occurs, and we are either voluntarily or involuntarily placed into a receivership, bankruptcy or other similar type of insolvency proceeding, it is possible due to the unpredictable nature of such proceedings, that not all of the proceeds held in the trust, particularly the $13.5 million deposit delivered to Sprint, will be available for return to the investors in the shares of our common stock originally issued in the private placement. As a result, we cannot guarantee you that the shares of common stock subject to this registration statement will be redeemed at the expected aggregate redemption price equal to approximately the private placement, or approximately $19.20 per share, or that the redemption will not be significantly delayed.

Risks Related to Our Organization and Structure

We depend on key personnel.

Our success depends to a significant degree upon the contributions of key personnel. We do not currently have long-term employment agreements with our key personnel. In addition, we may find it challenging to hire qualified individuals prior to FCC approval. Further, there is no guarantee that these executives will remain employed with us. If any of our key personnel were to cease employment with us, our operating results could suffer. Further, the process of attracting and retaining suitable replacements for key personnel whose services we may lose would result in transition costs and would divert the attention of other members of our senior management from our existing operations. The loss of services from key personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial condition and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained and do not expect to obtain key man life insurance that would provide us with proceeds in the event of death or disability of any of our key personnel.

We may not be able to successfully operate our business.

We are targeting a very specific niche of the existing market for wireless communications services. The subset of the market within which we seek to focus our services may not prove to be as lucrative as we currently estimate. Moreover, we cannot assure you that our past experience will be sufficient to enable us to operate our business successfully or implement our operating policies and business strategies as described in this prospectus. Furthermore, we may not be able to generate sufficient operating cash flows to pay our operating expenses or service our indebtedness. You should not rely upon the past performance of our management team, as past performance may not be indicative of our future results.

Termination of the employment agreements with the members of our management team could be costly and prevent a change in control of our company.

The employment agreements we have in place with our key personnel, in their capacities as officers, each provide that if the officer's employment with us terminates under certain circumstances, we may be required to pay them significant amounts of severance compensation, thereby making it costly to terminate such officer's employment. Furthermore, these provisions could delay or prevent a transaction or a change in control of our company that might involve a premium paid for shares of our common stock or otherwise be in the best interests of our stockholders, which could adversely affect the market price of our common stock.

We may change our operational policies and business and growth strategies without stockholder consent, which may subject us to different and more significant risks in the future.

Our board of directors determines our operational policies and business and growth strategies. Our board of directors may make changes to, or approve transactions that deviate from, those policies, guidelines and strategies without a vote of, or notice to, our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this prospectus. Under any of these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

If we fail to implement and maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could materially and adversely affect us.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. We have not been subject to public reporting requirements and have not been required to assess our internal controls. We cannot be

certain that we will be successful in implementing or maintaining adequate internal control over our financial reporting and financial processes. Furthermore, as we grow our business, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect us.

Changes in accounting rules, assumptions and/or judgments could materially and adversely affect us.

Accounting rules and interpretations for certain aspects of our operations are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our accounting assumptions and/or judgments, such as asset impairments, could significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Risks Related to an Investment in Our Common Stock

There is currently no public market for our common stock, which could result in investors in our common stock being unable to liquidate their investments. An active, liquid market for our common stock may never develop or be sustained, which would materially and adversely affect the market price of our common stock.

There is no established public market for our common stock. We intend to seek to have our common stock listed on the NYSE MKT prior to or shortly following the filing of this prospectus. However, if our common stock is not held by at least 400 or more holders or we do not meet all other listing requirements then in effect for the NYSE MKT, we will not be able to list our common stock on the NYSE MKT and will apply to have our common stock quoted on the OTCBB. If we are unable to list our common stock on the NYSE MKT, an active, liquid trading market for our common stock may not develop or be sustained, which likely would materially and adversely affect the market price of our common stock. Stockholders also may not be able to sell their shares of our common stock at the volume, prices and times desired.

We may not be accepted for listing or inclusion on the NYSE MKT.

There is no assurance that our application to be listed on the NYSE MKT will be approved. Each exchange and market has initial listing criteria, including criteria related to minimum bid price, public float, market makers, minimum numbers of round lot holders and board independence requirements that we can give no assurance we will meet. Our inability to list or include our common stock on the NYSE MKT could affect the ability of our stockholders to sell their shares of our common stock subsequent to the declaration of the effectiveness of the registration statement of which this prospectus forms a part and, consequently, could adversely affect the value of such shares. In such case, our stockholders would find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our common stock. In addition, we would have more difficulty attracting the attention of market analysts to cover us in their research. If we are unsuccessful, holders of shares of our common stock may not be able to sell their shares of our common stock at or near their original acquisition price, or at any price.

We can give no assurances as to the development of liquidity or any trading market for our common stock. Holders of shares of our common stock may not be able to resell their shares of our common stock at or near their original acquisition price, or at any price.

The price per share of our common stock may not accurately reflect its actual value.

The price of our common stock may not accurately reflect the value of our common stock and may not be realized upon any subsequent disposition of the shares of our common stock. There is currently no public trading market for our common stock or prevailing public market price by which our common stock trades. In addition, our lack of operating history makes it difficult to value our common stock.

Our common stock prices may be volatile which could cause the value of an investment in our common stock to decline.

Once our common stock becomes publicly traded and an active trading market develops for our common stock, the market price of our common stock may be highly volatile and subject to wide fluctuations. Our financial performance, government regulatory action, tax laws, interest rates and market conditions in general could have a significant impact on the future market price of our common stock.

Some of the factors that could negatively affect or result in fluctuations in the market price of our common stock include:

- actual or anticipated variations in our quarterly operating results;
- changes in market valuations of similar companies;
- adverse market reaction to the level of our indebtedness;
- additions or departures of key personnel;
- actions by stockholders;
- speculation in the press or investment community;
- general market, economic and political conditions, including an economic slowdown or dislocation in the global credit markets;
- our operating performance and the performance of other similar companies;
- changes in accounting principles; and
- passage of legislation or other regulatory developments that adversely affect us or our industry.

If we do not obtain the necessary government approvals for our acquisition of the Spectrum Assets from Sprint, any shares purchased pursuant to the private placement will be redeemed by the company.

The FCC regulates the licensing, operation, acquisition and sale of the licensed spectrum that is essential to our business plan. On May 13, 2014 we entered into the Sprint APA pursuant to which we intend to acquire the Spectrum Assets. However, the FCC still needs to approve our acquisition. If we are unable to complete the acquisition of the Spectrum Assets prior to November 7, 2014, subject to the company requesting in writing an extension from the holders of a majority of the shares of common stock originally issued in the private placement and such extension being approved prior to November 7, 2014, the shares of common stock originally issued in the private placement will be redeemed at a redemption price equal to approximately $19.20 per share.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and

intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- Being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- Not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- Not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- Reduced disclosure obligations regarding executive compensation; and
- Exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to delay such adoption of new or revised accounting standards, and, as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies that are not emerging growth companies. As a result of such election, our financial statements may not be comparable to the financial statements of other public companies.

We do not intend to pay dividends on our common stock for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the development and expansion of our business and, therefore, do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments and such other factors as our board of directors deems relevant in its discretion. Accordingly, you may need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them.

Future sales of our common stock, other securities convertible into our common stock or preferred stock could cause the market value of our common stock to decline and could result in dilution of your shares.

Our board of directors is authorized, without your approval, to cause us to issue additional shares of our common stock or to raise capital through the creation and issuance of preferred stock, other debt securities convertible into common stock, options, warrants and other rights, on terms and for consideration as our board of directors in its sole discretion may determine. Sales of substantial amounts of our common stock or of preferred stock could cause the market price of our common stock to decrease significantly. We cannot predict the effect, if any, of future sales of our common stock, or the availability of our common stock for future sales, on the value of our common stock. Sales of substantial amounts of our common stock by Sprint or Motorola or another large stockholder, or the perception that such sales could occur, may adversely affect the market price of our common stock.

In connection with the private placement, we and our directors and officers agreed, subject to various exceptions, not to sell, pledge or otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable for shares of our common stock, or, subject to various exceptions, file any registration statement with the SEC for a period of 180 days after the date of the effectiveness of this registration statement, as described in "Plan of Distribution." These lock-up provisions, at any time and without notice, may be released by FBR Capital Markets & Co. in its sole discretion. If the restrictions under the lock-up provisions are waived, shares of our common stock may become available for resale into the market, subject to applicable law, which could reduce the market price for our common stock.

In addition, we have agreed to use our commercially reasonable efforts to cause the registration statement of which this prospectus is a part to become effective under the Securities Act as soon as practicable after filing, and in any event, subject to certain exceptions, no later than the later of (i) 180 days after the filing of the registration statement of which this prospectus is a part, or (ii) 45 days after the Spectrum Closing, and to maintain its continuous effectiveness under the Securities Act, subject to certain permitted blackout periods, for a certain period of time. We may also file a registration statement relating to an initial public offering of additional shares of our common stock. To the extent we complete an initial public offering of additional shares, the market price of our common stock could be reduced.

In addition, subsequent to the effectiveness of the earlier of the registration statement of which this prospectus is a part and a registration statement filed in connection with an initial public offering, we intend to file a registration statement on Form S-8 to register the total number of shares of our common stock that may be issued under our 2010 Stock Plan and 2014 Stock Plan, including the shares of restricted stock granted to our executive officers, directors and director nominees, as well as the options to purchase shares of our common stock granted to our executive officers, in connection with the private placement. Upon registration of such shares, these shares of common stock will be eligible for sale without restriction.

Our management team beneficially owns an aggregate of 6.45% of the direct interests in our company, including restricted stock units and stock options. Subject to vesting restrictions applicable to certain interests held by members of our management team and any applicable transfer restrictions, including any lock-up agreements, each member of our management team may sell such common stock into any market for such shares that may develop.

Future offerings of debt securities, which would rank senior to our common stock upon our bankruptcy liquidation, and future offerings of equity securities that may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt securities or additional offerings of equity securities. Upon bankruptcy or liquidation, holders of our debt securities and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments or both that could limit our ability to pay dividends or make liquidating distributions to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future offerings, and investors in our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their ownership interest in our company.

We will incur increased costs as a result of being a public company.

Following the effectiveness of this registration statement, we will be a company with securities registered under The Securities Act and as such, we will need to comply with new laws, regulations and requirements,

certain corporate governance provisions of The Sarbanes-Oxley Act, related regulations of the SEC, and, if we are accepted for listing, the requirements of the NYSE MKT or other stock exchanges, with all of which we would not be required to comply as a private company with no registered securities. Complying with these statutes, regulations and requirements will occupy a significant amount of time from our board of directors and management and will significantly increase our costs and expenses.

After this offering, we will be subject to Section 404 of The Sarbanes-Oxley Act of 2002, or Section 404, and the related rules of the Securities and Exchange Commission which generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Beginning with the second annual report that we will be required to file with the Securities and Exchange Commission, Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting. However, for so long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404. Once we are no longer an emerging growth company or, if prior to such date, we opt to no longer take advantage of the applicable exemption, we will be required to include an opinion from our independent registered public accounting firm on the effectiveness of our internal controls over financial reporting. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Certain anti-takeover defenses and applicable law may limit the ability of a third party to acquire control of us.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws could discourage, delay, or prevent a merger, acquisition or other change of control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for our common stock, thereby depressing the market price of our common stock. These provisions, among other things:

- allow the authorized number of directors to be changed only by resolution of our board of directors;
- authorize our board of directors to issue, without stockholder approval, preferred stock, the rights of which will be determined at the discretion of the board of directors and that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that our board of directors does not approve;
- establish advance notice requirements for stockholder nominations to our board of directors or for stockholder proposals that can be acted on at stockholder meetings; and
- limit who may call a stockholders meeting.

Selected provisions of Delaware law.

We have elected to be subject to Section 203 of the Delaware General Corporation Law (the "DGCL") by provision of our charter. In general, Section 203 of the DGCL prevents an "interested stockholder" (as defined in the DGCL) from engaging in a "business combination" (as defined in the DGCL) with us for three years following the date that person becomes an interested stockholder unless one or more of the following occurs:

- Before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;

- Upon consummation of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) stock held by directors who are also officers of our company and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; or
- Following the transaction in which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least 66 ⅔% of our outstanding voting stock not owned by the interested stockholder.

The DGCL generally defines "interested stockholder" as any person who, together with affiliates and associates, is the owner of 15% or more of our outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of our outstanding voting stock at any time within the three-year period immediately before the date of determination.

See "Description of Capital Stock" for additional information regarding these provisions.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the closing of this offering provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- We may not retroactively amend our bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Various statements contained in this prospectus, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. Our forward-looking statements are generally, but not always, accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "should," "will," "may," "plan," "goal," "can," "could," "continuing," "ongoing," "intend" or other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. There can be no assurance that actual developments will be those anticipated by us. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties, including, but not limited to:

- we may not be successful in acquiring the Spectrum Assets from Sprint Corporation;
- we have no operating history with respect to our proposed business;
- customers may not adopt our technology or renew their services with us;
- we may not be able to keep pace with rapid technological changes or the changes in the demands of our customers;
- any efforts we pursue to increase the value of our spectrum may not be successful;
- we will rely on the equipment and selling efforts of other parties, such as Motorola's dealer network;
- the wireless communication industry is highly competitive and we may not compete successfully;
- our competitors may improve their existing technology and reduce our competitive advantage;
- we may not be able to enter our targeted markets quickly enough to compete effectively;
- we may not be able to compete on price because some of our competitors are financially stronger than we are;
- spectrum is a limited resource, and we may not be able to obtain sufficient spectrum to support our planned business operations and future growth; and
- government regulation could adversely affect our business and prospects.

These and other important factors, including those discussed under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Our Business" may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

Any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us, the selling stockholders or any other person that the future plans, estimates or expectations contemplated by us will be achieved. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this prospectus. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders pursuant to this prospectus. The selling stockholders will pay any underwriting discounts and commissions and expenses they incur for brokerage, accounting, tax or legal services or any other expenses they incur in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees and fees and expenses of our counsel and our accountants.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock, and we do not currently anticipate declaring or paying cash dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings, if any, to finance the development and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments and such other factors as our board of directors deems relevant in its sole discretion. Accordingly, you may need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them. See “Risk Factors – Risks Related to an Investment in our Common Stock – We do not intend to pay dividends on our common stock for the foreseeable future.”

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2014 on:

- an actual basis; and
- a pro forma basis to reflect (i) the conversion of all outstanding shares of Series AA preferred stock into common stock on a one-for-one basis, and the conversion of our remaining options to purchase shares of our Series AA Preferred Stock into options to purchase shares of our common stock and the conversion of restricted stock units for shares of our Series AA Preferred Stock into restricted stock units for shares of our common stock, each on a one-for-one basis (each of which was completed immediately prior to the completion of the private placement); (ii) the issuance of 10,925,000 shares in private placement completed on June 10, 2014; and (iii) the termination and exchange of all outstanding warrants to purchase shares of our Series AA Preferred Stock into shares of our common stock (which was completed immediately prior to the completion of the private placement) and (iv) payment of the $13.5 million deposit to Sprint pursuant to the terms of the Sprint APA.

This table should be read in conjunction with the sections captioned "Use of Proceeds," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and related notes thereto included elsewhere in this prospectus.

	As of March 31, 2014 (in thousands except share data)	
	Actual	Pro Forma (unaudited)
Cash and cash equivalents	$ 46	$ 7,212
Restricted cash	—	182,165
Long-term deposit	—	13,500
Notes payable	3,406	3,406
Deferred compensation	362	362
Accrued interest expense	870	870
Total long-term debt	4,638	4,638
Stockholders' equity (deficit):		
Preferred stock; no par value, 40,000,000 shares authorized, 748,722 shares issued or outstanding, actual; $0.0001 par value, 10,000,000 shares authorized and no shares issued or outstanding, pro forma	20,526	—
Common stock; no par value, 85,000,000 shares authorized, 126,759 shares issued and outstanding, actual; $0.0001 par value, 100,000,000 shares authorized, 11,830,290 shares issued and outstanding, pro forma	1,183	1
Additional paid-in capital	1,027	225,566
Accumulated deficit	(26,943)	(26,943)
Total stockholders' equity (deficit)	(4,207)	198,624
Total capitalization	$ 431	$ 203,262

This table does not include:

(i) issued and outstanding stock options to purchase 57,841 shares of our common stock at a weighted average exercise price of $19.25 per share;

(ii) issued and outstanding stock options to purchase 965,750 shares of our common stock at a weighted average exercise price of $20.00 per share;

(iii) issued and outstanding restricted stock units for 126,251 shares of our common stock;

(iv) warrants to purchase 24,836 shares of our common stock at a weighted average exercise price of $145.44 per share;

(v) 65,000 shares of our common stock to be issued in connection with the cancellation of $1.3 million of outstanding debt, contingent upon the Spectrum Closing;

(vi) 76,684 shares of our common stock to be issued in connection with the automatic conversion of the outstanding redeemable notes (based on outstanding interest as of June 30, 2014), contingent upon the Spectrum Closing;

(vii) 234,250 shares of our common stock which available for future issuance under our 2014 Stock Plan and the annual increases in the number of shares authorized under our 2014 Plan beginning on January 1, 2015; and

(viii) 500,000 shares of common stock to be issued to Sprint, contingent upon the Spectrum Closing.

There is currently no public market, nor has there ever been a public market, for our common stock. Our stock currently trades on a proprietary trading platform developed by FBR Capital Markets & Co. called the FBR Plus™ System, which provides QIBs access to trading information for companies which have issued restricted securities in private placement transactions exempt from registration pursuant to Rule 144A of the Securities Act. We intend to apply to have our common stock listed on the NYSE MKT under the symbol “PDVI” upon our becoming a reporting entity under Section 15(d) of the Exchange Act.

SELECTED FINANCIAL DATA

The following sets forth our selected financial data on a historical basis. You should read the following summary of selected financial data in conjunction with our historical financial statements and the related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this prospectus. Our historical balance sheet information as of March 31, 2014 and 2013 and statement of income information for the years ended March 31, 2014 and 2013 have been derived from the historical financial statements audited by our independent auditors, whose report with respect thereto is included elsewhere in this prospectus.

Statement of Operations Data

	Year Ended March 31,	
	2013	2014
Operating revenue		
Service revenue	$ 3,426,966	$ 4,001,117
Cost of revenue		
Service	1,492,705	1,585,643
Gross profit	1,934,261	2,415,474
Operating expenses		
General and administrative	850,756	846,579
Sales and support	1,247,505	1,382,024
Product development	715,918	934,818
Stock compensation expense	82,438	79,057
Depreciation and amortization	52,726	59,469
Total operating expenses	2,949,343	3,301,947
Loss from operations	(1,015,082)	(886,473)
Other income	—	—
Interest expense – affiliated entities	(224,836)	(325,348)
Net loss	$(1,239,918)	$(1,211,821)

Balance Sheet Data

	As of March 31,	
	2013	2014
Total assets	$ 862,162	$ 803,191
Notes payable – affiliated entities	2,700,317	3,405,808
Total liabilities	3,945,814	5,010,607
Stockholders' equity (deficit)	$(3,083,652)	$(4,207,416)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this prospectus. This discussion includes forward-looking statements that are subject to risks, uncertainties and other factors described under the captions "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." These factors could cause our actual results to differ materially from those expressed in, or implied by, those forward-looking statements.

Overview

Historically, we have been engaged in the development and sale of wireless communications applications, including at times the sale and installation of equipment used to run these applications. Our applications are primarily marketed by wireless communications carriers to their subscribers pursuant to reseller agreements. We also sell certain applications directly to end users through our direct sales force. We maintain offices in Paterson, New Jersey and San Diego, California.

Following the Spectrum closing, we intend to expand our business to become a nationwide licensee of spectrum focused on implementing dedicated, wide-area, two-way radio service to dispatch-centric businesses. We intend to initially deploy our network in 20 major metropolitan areas throughout the United States and to focus on serving dispatch-centric, small and medium-sized businesses. For this targeted set of customers, we intend to deploy our Dispatch Plus communication solution. Dispatch Plus will combine Motorola's state-of-the-art digital dispatch system (built on MotoTRBO architecture) with pdvConnect, our cloud-based, suite of advanced, value-added mobile resource management solutions. Built with the commercial dispatch user in mind, Motorola's MotoTRBO architecture will allow us to provide a highly reliable, instant and wide-area PTT communication solution. Also developed for dispatch-centric companies, pdvConnect is an easy to use and efficient workforce management solution that enables businesses to locate and communicate with field workers and improve documentation of work events and job status. We believe a high quality, dedicated and reliable PTT solution with regional calling areas will be attractive to a significant portion of our targeted customers who are currently using cellular or local two-way radio networks. Further, when bundled with pdvConnect, we believe our service should provide significant value to our customers by making their work force more efficient and effective.

We submitted applications with the FCC shortly before closing the private placement to transfer the Spectrum Assets necessary to support our nationwide dispatch network. The FCC has granted its consent to the assignment of all six of the applications we submitted. After the FCC provides Public Notice of its consent, there is a minimum of 40 days before the FCC action becomes final, assuming there are no petitions from the public requesting the FCC to reconsider the grant within the first 30 days and the FCC does not set aside its consent on its own motion at any time during the 40-day period. The 40-day finality period for five of the six applications expired on July 20, 2014. The 40-day period for the sixth application will expire on September 8, 2014. Once this period is passed, assuming there are no petitions from the public and the FCC has not set aside its consent on its own motion, we intend to close our transaction with Sprint and will notify the FCC that the transaction has been consummated, which will cause the FCC to reissue the licenses for the Spectrum Assets in our name.

Basis of Presentation

Service revenue. We derive our revenue from the sale of applications to end users. Our applications are primarily marketed by wireless communications carriers to their subscribers pursuant to reseller agreements. We also sell certain applications directly to end users through our direct sales force.

Cost of revenue. Our cost of revenue includes the portion of the revenue charged by our carrier partners, which may include network services, connectivity, SMS service and special equipment expenses, sales,

marketing, billing and other ancillary services. Also included, are the costs associated with the operation of our cloud-based solutions.

General and administrative expenses. General and administrative expenses consist primarily of personnel costs for our executive, finance and administrative personnel, legal, audit and other professional services and corporate expenses.

Sales and support expenses. Sales and support expenses consist primarily of personnel costs for our sales staff, commissions earned by our sales personnel and the cost of customer support operations.

Product development expenses. Historically, product development expenses consisted primarily of personnel costs for our product development and any costs of outside consultants. We charge all product development expenses to operations as incurred.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, our actual results could differ from those estimates. Further, to the extent that there are differences between our estimates and our actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical performance, as these policies relate to the more significant areas involving our judgments and estimates.

Revenue recognition. We recognize revenue in the period in which the services are provided to the customers and when collectability of the revenue is reasonably assured. We record revenue at the gross amount billed to end-user customers. When the end-user is billed by our third party carriers, the estimated gross amount billed is recorded as revenue.

Cost of revenue. Our cost of revenue includes the portion of the revenue charged by our carrier partners, which may include network services, connectivity, SMS service and special equipment expenses, sales, marketing, billing and other ancillary services.

Product development expenses. We charge all product development expenses to expense as incurred. Types of expenses incurred in product development expenses include employee compensation, consulting, travel, facility costs and equipment and technology costs.

Stock compensation. We account for stock options in accordance with GAAP, which requires the measurement and recognition of compensation expense, based on the estimated fair value of awards granted to employees and directors, which requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense in the company's statements of operations over the requisite service periods.

To calculate option-based compensation, the company used a Black-Scholes option-pricing model. The company's determination of fair value of option-based awards on the date of grant using the Black-Scholes model is affected by the company's stock price as well as assumptions regarding a number of subjective variables.

No tax benefits were attributed to the share-based compensation expense because a full valuation allowance was maintained for all net deferred tax assets.

Furniture, fixture and equipment. Furniture, fixture and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Patent costs. Costs to acquire a patent on certain aspects of the company's technology have been capitalized. These amounts are amortized, subject to periodic evaluation for impairment, over statutory lives following award of the patent. Accumulated amortization amounted to $303,305 for the year ended March 31, 2014 ("Fiscal 2014") and $260,475 for the year ended March 31, 2013 ("Fiscal 2013"). Amortization expense was $42,830 in Fiscal 2014 and $37,510 in Fiscal 2013 and is estimated to aggregate $40,000 per year over the next five-year period.

Allowance for uncollectible receivables. An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. For Fiscal 2014, management provided an allowance of $12,619.

Income taxes. We follow the liability method of accounting for income taxes. Under this method, taxes consist of taxes currently payable plus those deferred due to temporary differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities using tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is provided when it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Accounting for uncertainty in income taxes. We recognize the effect of tax positions only when they are more likely than not to be sustained. Our management has determined that we had no uncertain tax positions that would require financial statement recognition or disclosure. We are no longer subject to U.S. federal, state or local income tax examinations for periods prior to 2011.

JOBS Act.

As an emerging growth company, or EGC, under the JOBS Act we are eligible for exemptions from various reporting requirements applicable to other public companies that are not EGCs, including, but not limited to:

- Being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- Not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- Reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- Exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

As an EGC, we are also eligible to take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. Thus, we could delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Nevertheless, we have elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

Results of Operations

The following table sets forth our results of operations for Fiscal 2013 and Fiscal 2014. The period to period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

Statement of Operations

	Year Ended March 31,	
	2013	2014
Operating Revenue		
Service revenue	$ 3,426,966	$ 4,001,117
Cost of revenue		
Service	1,492,705	1,585,643
Gross profit	1,934,261	2,415,474
Operating Expenses		
General and administrative	850,756	846,579
Sales and support	1,247,505	1,382,024
Product development	715,918	934,818
Stock compensation expense	82,438	79,057
Depreciation and amortization	52,726	59,469
Total operating expenses	2,949,343	3,301,947
Loss from operations	(1,015,082)	(886,473)
Other income	—	—
Interest expense – affiliated entities	(224,836)	(325,348)
Net loss	$(1,239,918)	$(1,211,821)

Service revenue. Service revenue increased approximately $0.57 million, or 16.75%, to $4.00 million for Fiscal 2014 from $3.43 million for Fiscal 2013. This increase can be attributed to a 35.2% increase in revenue from our U.S. operations, which was offset by a decline in revenue of 31.0% from our international operations. Our U.S. business has been our primary focus over the last several years as we have significantly expanded the functionality of our solutions and such expanded functionality has been launched across our U.S. sales channels. Our U.S. operations revenue growth over prior year can be attributed to an improvement in sales mix of our higher priced pdvConnect Professional solution and to the launch of our solutions by our latest carrier partner, which was announced in March of 2013.

Cost of revenue. Cost of revenue increased approximately $0.09 million, or 6.23%, to $1.59 million for Fiscal 2014 from $1.49 million for Fiscal 2013. Our cost of revenue increase was due primarily to the increase in service revenue.

Gross profit. Gross profit increased 24.88% to $2.42 million for Fiscal 2014 from $1.93 million for Fiscal 2013. Our gross profit increased at a higher rate than our service revenue as we saw growth form our higher margin U.S. operations and a decline in our lower margin international operations.

General and administrative expenses. General and administrative expenses remained flat at $0.85 million for Fiscal 2014 and Fiscal 2013.

Sales and support expenses. Sales and support expenses increased approximately $0.14 million, or 10.85%, to $1.38 million for Fiscal 2014 from $1.25 million for Fiscal 2013. This increase in expenses was due primarily to investments made in connection with the launch of our latest carrier partner.

Product development expenses. Product development expenses increased $0.22 million, or 30.58%, to $0.93 million for Fiscal 2014 from $0.72 million for Fiscal 2013. This product development expense increase was due to primarily to additional investments made in connection with the launch of our latest carrier partner and supporting existing customers.

Stock compensation expense. Stock compensation expense remained flat at $0.079 million for Fiscal 2014, compared to $0.082 million for Fiscal 2013.

Interest expense – affiliated entities. Interest expense increased $0.10 million, or 44.7%, to $0.33 million for Fiscal 2014 from $0.22 million for Fiscal 2013. This interest expense increase was due to interest incurred on additional debt incurred by the company.

Liquidity and Capital Resources

At March 31, 2014, we had cash and cash equivalents and short-term investments of $46,000.

Our accounts receivable are heavily concentrated in a small number of customers. As of March 31, 2014, our accounts receivable balance was $370,000 of which $160,000 was due from AT&T and $122,000 was due from Sprint, or 43.29% and 32.93%, respectively.

Our future capital requirements will depend on many factors, including the timing and extent of expenditures to support the rollout of our dedicated dispatch network, the development of new service offerings, sales and marketing activities and headcount and the growth in our customer base. We believe our cash and cash equivalents and anticipated cash flows from operations will be sufficient to satisfy our financial obligations through at least the next 12 months.

We expect to use cash to support our operating activities and business plan. We may experience greater than expected cash usage in operating activities and building out our network, revenue that is lower than we anticipate, or greater than expected cost of revenue or operating expenses. See “Risk Factors” for risks and uncertainties that could cause our revenue and operating results to be lower than we anticipate and our operating costs to be more than we currently anticipate. In addition, in the future, we may acquire businesses, technologies or spectrum or license technologies from third parties, and we may decide to raise additional capital through debt or equity financing to the extent we believe this is necessary to successfully complete these acquisitions or license these technologies. However, additional financing may not be available to us on favorable terms, if at all, at the time we make such determinations, which could have a material adverse effect on our business, operating results, financial condition and liquidity and cash position.

Net cash used in operating activities. Net cash used in operating activities was $0.79 million and $0.74 million in Fiscal 2014 and Fiscal 2013, respectively.

Contractual Obligations and Indebtedness

Leases. We are obligated under certain lease agreements for office space. The leases expire on February 28, 2015 and November 1, 2016. Rent expense amounted to $113,920 and $111,557 for Fiscal 2014 and Fiscal 2013, respectively.

Indebtedness. As of March 31, 2014, our indebtedness was as follows:

- We have a $3 million working capital line of credit with Brian McAuley, our Chairman, of which $1,425,000 has been drawn down as of March 31, 2014. The line of credit expires June 30, 2015 and all borrowings bear interest at 10% per annum. Commencing not later than September 30, 2015, we are obligated to repay Mr. McAuley $50,000 per quarter of principal plus interest accrued for the quarter

then ended until the entire principal will have been repaid. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on this line of credit, with $1.3 million of such repayment to be made through the issuance of 65,000 shares of our common stock, valued for this purpose at $20.00 per share and the balance in cash from the proceeds of the private placement.

- We issued a promissory note to Mr. McAuley, dated September 1, 2010, as amended March 31, 2011, in the principal amount of $540,000. This note bears interest at 10% per annum. No payments are due until June 30, 2015, at which point the entire balance of principal and accrued interest shall be due and payable on demand of Mr. McAuley. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on this note in cash.
- We have issued convertible promissory notes (the "Convertible Notes") to certain employees. The Convertible Notes bear interest of 10% per annum. Upon the election of the holder, principal and accrued interest due may convert into a number of shares of our common stock equal to the quotient obtained by dividing the entire outstanding principal amount and accrued interest by $13.25 per share. The outstanding balance of these notes was $423,852 at March 31, 2014 and 2013. The Convertible Notes mature on June 30, 2015. In the event that the Convertible Notes have not converted into common stock and our company achieves EBITDA in an amount equal to or greater than $5,000 for any quarter, within 30 days following such quarter, we agreed to use up to 20% of the EBITDA amount to pay the outstanding and unpaid principal and accrued interest to the note holders. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on each of the Convertible Notes in cash from the proceeds of the private placement.
- We issued redeemable convertible promissory notes (the "Redeemable Notes") with contingently issuable detachable warrants in the amount of $475,491 and $541,465 during Fiscal 2014 and Fiscal 2013, respectively. The Redeemable Notes bear interest at 10% per annum. The principal amount plus any accrued interest is payable on June 30, 2015. In connection with the private placement the Redeemable Notes were amended on May 14, 2014 to provide that the Redeemable Notes will automatically be converted into that number of shares of our common stock equal to the sum of 140% of the outstanding principal on the Redeemable Notes plus outstanding interest divided by $20.00 per share upon the closing of our acquisition of the Spectrum Assets. If we do not successfully complete the acquisition of the Spectrum Assets, per the amended terms of the Redeemable Notes, the outstanding principal and interest on the convertible notes will remain outstanding, and we will be required to issue the holders of the convertible notes warrants to purchase an aggregate of 153,551 shares of our common stock at an exercise price of $13.25 per share. Such warrants shall only become detachable and exercisable commencing on the date on which the FCC declines to provide the approvals required for our acquisition of the Spectrum Assets and shall expire on January 1, 2018.
- Total interest expense on all notes payable amounted to $325,348 and $224,836 for Fiscal 2014 and Fiscal 2013, respectively, of which $308,675 and $223,836 were derived from our related parties. Accrued interest expense at March 31, 2014 and 2013 amounted to $870,247 and $544,899, respectively, of which $852,574 and $543,899 were due to related parties at March 31, 2014 and 2013, respectively.

Warranties. Our agreements with our customers generally include certain provisions for indemnifying them against liabilities if our services infringe a third party's intellectual property rights or for other specified reasons.

Off-balance sheet arrangements

During Fiscal 2014 and Fiscal 2013, we did not have any relationships with unconsolidated entities or financial partnerships that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recent Developments

Sprint APA. On May 13, 2014, we entered into the Sprint APA, as amended on May 28, 2014, with Sprint to acquire the Spectrum Assets for a total of $100 million, with $90 million to be paid in cash from the proceeds of the private placement and $10 million paid in 500,000 shares of our common stock (at a price equal to $20.00 per share). Pursuant to the terms of the Sprint APA, we have delivered $13.5 million to Sprint as a deposit against our purchase of the Spectrum Assets.

Private Placement. On June 10, 2014, we completed the private placement in which we sold 10,925,000 shares of common stock at a purchase price of $20.00 per share in transaction exempt from registration under the Securities Act. FBR Capital Markets & Co. acted as the initial purchaser/placement agent for the private placement. The net proceeds from the private placement, after deducting our offering expenses and the payment of initial purchaser/placement agent discount or placement fees, were approximately $202,832,000. At the closing of the private placement, we placed approximately 96% of the proceeds from the private placement (net of any initial purchaser's/placement agent's discount and placement fees) in the PDV Investor Trust, a Delaware statutory trust pending the Spectrum Closing.

Reincorporation and Recapitalization. In connection with the private placement we completed a number of actions, including:

(i) the reincorporation of our company from California to Delaware, which was effected on May 30, 2014;

(ii) the adoption of an amended and restated certificate of incorporation and amended and restated bylaws, which became effective immediately prior to the completion of the private placement;

(iii) the conversion of all outstanding shares of our Series AA Preferred Stock (the only outstanding class of preferred stock) into shares of our common stock on a one-for-one basis, and the conversion of our remaining options to purchase shares of our Series AA Preferred Stock into options to purchase shares of our common stock and the conversion of restricted stock units for shares of our Series AA Preferred Stock into restricted stock units for shares of our common stock, each on a one-for-one basis;

(iv) a 33.11451201-for-1 reverse stock split of all of our outstanding common stock, which was effected immediately prior to the completion of the private placement;

(v) the termination and exchange of outstanding warrants to purchase 661,581 shares of Series AA Preferred Stock into 29,809 shares of our common stock, which was completed immediately prior to the completion of the private placement; and

(vi) the amendment of outstanding redeemable notes, in the aggregate principal amount of $1,016,956, to provide that the Redeemable Notes will automatically be converted into that number of shares of our common stock equal to (A) the sum of 140% of the outstanding principal amount plus the outstanding interest on such redeemable notes through the conversion date divided by (B) $20.00 per share, contingent upon the Spectrum Closing.

Motorola Reseller Agreement. We entered into a reseller agreement with Motorola on May 15, 2014, under which Motorola agreed to provide us with their state-of-the-art MotoTRBO technology that we intend to deploy as part of our nationwide network. Additionally, we entered into a letter of intent with Motorola under which it has indicated its intent to invest up to $10 million in a newly formed subsidiary of ours and to lease some of the Spectrum Assets.

Equity Awards.

- **2014 Stock Plan**: Our board of directors and stockholders adopted our 2014 Stock Plan on May 12, 2014, and May 30, 2014, respectively, authorizing and reserving 1,200,000 shares of our common stock for issuance under our 2014 Stock Plan as option awards

- **Restricted Stock Units**: On May 12, 2014, we issued 82,054 restricted stock units for shares of our common stock to certain employees and contractors of the Company.
- **Options**: From May 14, 2014 through June 30, 2014, we awarded certain employees and contractors of the Company 965,750 options to purchase shares of our common stock with an exercise price of $20.00 per share.

As a result of these equity issuances during our first fiscal quarter ended June 30, 2014, our financial statements for this fiscal quarter and future periods will report significant stock-based compensation expenses.

BUSINESS

Overview

Following our acquisition of the Spectrum Assets from Sprint, we intend to become the only nationwide licensee of spectrum focused on implementing a nationwide dispatch network. We intend to initially deploy our network in 20 of the top metropolitan areas in the United States and to focus on serving dispatch-centric small and medium-sized businesses with fewer than 1,000 employees.

Industry Overview

The demand for wireless telecommunications has grown rapidly, driven by the increased availability of services, technological advancements, regulatory changes, increased competition and lower prices. The number of cellular subscriber connections in the United States has grown from approximately 200,000 as of June 30, 1985 to over 76 million as of June 30, 1999, and to over 325 million today. In addition to these wireless subscriber connections, we believe that there are approximately 40 million two-way radios in use today worldwide.

Within the wireless telecommunications industry, we believe that there is a subset of users who demand a tailored solution suited for the dispatch-centric nature of their businesses. These dispatch-centric users typically have extended mobile asset and human resource profiles and have business operations that require simple, instant and reliable communications among their employees and business partners. These businesses operate within industry verticals such as construction, distribution, transportation, field services, waste management, and hospitality. Given the nature of their operations, we believe these users prefer instant PTT communication capabilities, which allow them to communicate with one touch of a “button” to another user (one-to-one) or many users (one-to-many) within their organizations. In dispatch applications, PTT provides several advantages to its users over telephony and data-based services, including: an easy-to-operate one-touch button, efficiency of communications, and rugged equipment optimal for field use. Overall, PTT provides these users with functionality that increases speed, simplicity, and reliability of communications.

Private Carrier Dispatch

Historically, the dispatch-centric market was primarily served by private networks constructed and operated by enterprises for their own use as well as local specialized mobile radio (“SMR”) operators. The first SMR operators received authorization from the FCC to offer services on their licensed spectrum in 1980. In 1987, Brian McAuley and Morgan O’Brien, our Chairman and Vice Chairman, respectively, founded Nextel Communications to acquire 800 MHz SMR licenses issued by the FCC and to launch what became a nationwide dispatch radio network. Motorola collaborated with them to introduce and deploy the iDEN technology on which the digital dispatch radio network was based. After developing the network and growing the total number of subscribers to approximately 23 million, Nextel merged with Sprint in August 2005 at a stand-alone value of approximately $36 billion.

In June 2013, Sprint de-commissioned the legacy Nextel iDEN network, which used the 900 MHz spectrum band in favor of a deployment of 4G technologies, particularly the global standard LTE. Sprint has attempted to move its iDEN customers over to its deployed 4G network, which is comprised of contiguous spectrum at 800 MHz, 1900-2100 MHz and 2500 MHz. In addition to Sprint, most of the other large U.S. Tier 1 carriers offer a PTT product. However, because these carrier PTT services are super-imposed on a network designed primarily for telephony and data, many short-comings exist. Most apparent are latency (or delay) experienced after the “button” has been pushed due to user unavailability or inactive applications, as well as decreased quality of service and overall functionality and ease of use. While much innovation has been applied, and many

downloadable dispatch applications have been developed by third parties, with varying degrees of success, there are still issues in the way that one-to-one and one-to-many communications are handled on telephony and data-based networks. The ease and simplicity of the iDEN "chirp" has been lost due to the complications that are inherent in a service that is not at the core of the carriers' offering and is super-imposed on networks primarily designed for alternative uses.

We believe that there are millions of former iDEN users, particularly in a number of industry verticals that are dispatch-centric (and on which we intend to focus), for whom the ease and simplicity of instant communications through PTT was the most compelling feature of iDEN. We believe that these customers, although only a subset of the former 23 million iDEN subscribers, will respond favorably to a new product that features performance and ease of use comparable to iDEN, which we intend to provide. As a result, we believe a void in the marketplace and a compelling opportunity to fill that void now exists.

Our Market Opportunity

Following our purchase of the Spectrum Assets from Sprint (see "– Our Spectrum Opportunity"), we intend to enter 20 of the top metropolitan areas throughout the United States. These initial markets are expected to cover approximately 50% of the U.S. population, or approximately 150 million people.

We believe there are approximately 25.8 million employees that operate within dispatch-centric verticals within these 20 top metropolitan areas. Management estimates that there are approximately 6.8 million PTT centric users that are employed by our target customers, which are small and medium-sized businesses of 1,000 or fewer employees in the construction, distribution, transportation, field services, waste management and hospitality verticals. These verticals have been, and we believe that they will continue to be, predominantly dispatch-centric, requiring instant, simple and reliable communications with and between their employees and business partners. This translates to a market size of approximately $2 billion to $5 billion based on a range of monthly unit prices of $25 to $60. In addition, management estimates the demand for PTT dispatch solutions is steady and growing in excess of approximately 1% per year.

Our Spectrum Opportunity

On May 13, 2014, we entered into the Sprint APA to acquire the Spectrum Assets, including: (i) FCC licenses to operate a nationwide dispatch network in the 900 MHz spectrum and (ii) certain equipment Sprint used to operate the 900 MHz system. Sprint has decided to divest the Spectrum Assets (which accounts for approximately 60% of the private radio band at 900 MHz) primarily because the channel assignments are non-contiguous and not currently useable for the broadband technology it is deploying. We have agreed to acquire the Spectrum Assets for a total of $100 million, which we estimate at approximately $0.06 per MHz/POP, with $90 million paid in cash from the proceeds of the private placement and the remaining $10 million paid with shares of our common stock at a price equal to $20.00 per share.

Our acquisition of the Spectrum Assets is contingent on, among other things: (i) the parties receiving all approvals and authorizations required to be obtained from the FCC for the transfer of the Spectrum Assets and all such approvals and authorizations becoming final orders, (ii) the applicable waiting periods under the HSR Act having expired or been terminated (which has been completed) and (iii) no judgment, decree or order having been entered or any other action threatened that would prevent the transfer of the Spectrum Assets. For additional information on the Sprint APA, see "– Our Relationship with Sprint Corporation."

We submitted applications with the FCC shortly before closing the private placement to transfer the Spectrum Assets necessary to support our nationwide dispatch network. The FCC has granted its consent to the assignment of all six of the applications we submitted. After the FCC provides Public Notice of its consent, there is a minimum of 40 days before the FCC action becomes final, assuming there are no petitions from the public

requesting the FCC to reconsider the grant within the first 30 days and the FCC does not set aside its consent on its own motion at any time during the 40-day period. The 40-day finality period for five of the six applications expired on July 20, 2014. The 40-day period for the sixth application will expire on September 8, 2014. Once this period is passed, assuming there are no petitions from the public and the FCC has not set aside its consent on its own motion, we intend to close our transaction with Sprint and will notify the FCC that the transaction has been consummated, which will cause the FCC to reissue the licenses for the Spectrum Assets in our name.

The current non-contiguous spectrum we are acquiring from Sprint is available for immediate use by proven narrowband technologies and we believe is more than sufficient to support our current business plan. In addition, we believe there is an opportunity to request the FCC to repurpose a portion of the 900 MHz spectrum from narrowband to broadband. We also believe that customer demand for high speed data and video services, even in the case of PTT users, should provide an impetus for the FCC to consider and potentially approve a change from narrowband to broadband. We believe there is a directly relevant precedent for this change within the 800 MHz band. In the 1990's, licensees of the 800 MHz spectrum, including Nextel, approached the FCC with a request to revise its rules to permit a rebanding, or reconfiguration, of portions of the spectrum to create a broadband opportunity. The 800 MHz spectrum, on which Sprint is currently deploying portions of its network, is now, as a result of a series of FCC proceedings, a contiguous block of 14 MHz, or 7 MHz by 7 MHz (7x7 MHz).

Therefore, we anticipate we will submit a request for rebanding at 900 MHz, similar to that at the 800 MHz band, arguing that contiguous spectrum is more efficient and supports a wider choice of technology than does narrowband, interleaved spectrum. In addition, while fully contiguous, broadband spectrum can be divided into blocks, allowing for the continued operation of narrowband channels, the opposite is not true – narrowband channels cannot support broadband functionality. Among the core responsibilities of the FCC are improving spectrum efficiency, increasing open market competition, and providing more choices for consumers. It is anticipated that the FCC approval process will take a significant amount of time and may be subject to legal objections from other licensees and users of the 900 MHz spectrum. As a result, there is no assurance that we will ultimately be successful in obtaining the necessary approvals required to repurpose a portion of the 900 MHz spectrum from narrowband to broadband.

Our Product Offerings

For this targeted set of customers, we intend to offer our Dispatch Plus communication service. We plan that our PTT communication service will leverage proven state-of-the-art Motorola technology, which will allow users to instantly set up PTT communications – either privately (one-to-one) or with a group (one-to-many) – within a regional service area. Dispatch Plus will also include our value-added pdvConnect mobile resource management solution. PdvConnect is our proprietary, cloud-based mobile resource management solution designed to help companies increase productivity through the delivery of real-time information from mobile workers to dispatch operators. The solution enables quick response among workers in the field and streamlined dispatch operations through faster exchanges of information by prioritizing messages from the field, which reduces or eliminates wasteful "on hold time" and vehicle idling, and aids documenting incidents or work activities and collecting operational data to improve customer satisfaction. As a cloud-based solution, pdvConnect allows users to deliver voice messages to any computer (via the internet) or to any phone on any network, thereby greatly enhancing the PTT communication capabilities of field personnel and allowing them to communicate not only with personnel within their organizations, but also with suppliers, vendors and customers.

Our pdvConnect mobile resource management solution will come bundled with our PTT dispatch service. Therefore, each device will be "ready out of the box" and will not require additional downloading of software. We anticipate providing this combined solution at an average monthly unit price of approximately $30, which we believe will be very attractive to our targeted customer base, particularly compared to current services available.

Currently, our target customers use PTT products on large carrier networks (Tier 1) via cellular systems or on local SMR networks. However, we believe our proprietary solution should provide significant advantages against each.

Dispatch Plus versus Tier 1 Carrier Dispatch. We believe our solution will be superior to current services provided by the large U.S. carriers due to several key factors, including:

- **Lower price** – At a monthly price of approximately $30, our solution will be less expensive than the monthly service fees currently charged by Tier 1 carriers for comparable features.
- **Simplicity** – Our handsets will allow for one-button dispatch calls and are purpose-built for dispatch.
- **Functionality** – Our network will be dedicated to dispatch (not super-imposed on a network designed for telephony and data), allowing for decreased latency and improved functionality and overall ease of use.
- **Support** – We intend to provide an enterprise-grade, dedicated customer support team.

Dispatch Plus versus Traditional Local SMR Dispatch. We believe our solution is superior to current products offered by local SMR providers due to several key factors, including:

- **Coverage** – We have the opportunity to offer our customers a significantly greater coverage area given our national footprint.
- **Simplicity** – Our unique, patented resource management tool comes included in our solution for one low price. On local SMR networks, some of the functionality, but not all, can be obtained from separate purchases through multiple third-party vendors.
- **Functionality** – We believe the workforce enhancement features included in our pdvConnect mobile resource management solution, which is not offered on local SMR networks, will allow our customers to recognize superior value and return on investment.
- **Capacity** – While many local SMR operators have constrained spectrum, the spectrum we are acquiring from Sprint generally supports significantly more subscribers per target market (See "– Our Market Opportunity").

Current Operations. Currently, we provide our mobile resource management solution to thousands of employees at a wide variety of enterprises, ranging from deployments at Fortune 500 companies to local deployments by other businesses, at a monthly unit price up to $20 for our business applications only. We are currently recognized as a leader in mobile workforce management software, providing advanced messaging, dictation, documentation and location-based solutions. Our solutions enable instant response among workers in the field and streamline operations through faster exchanges of information, prioritized voice messaging, reduced congestion at busy call centers and providing back office operations reports. We also design tailored wireless business solutions to meet the needs of specific customers based on their industry and individualized business needs. Since inception, we have invested over $10 million into developing this proprietary technology.

Management Team Expertise. Our senior management team includes Brian McAuley and Morgan O'Brien, who were the co-founders of Nextel. In addition to Mr. McAuley and Mr. O'Brien, our senior management team also includes several executives, including John Pescatore, our President and Chief Executive Officer, Timothy Gray, our Chief Financial Officer, and Leon Frazier, our Chief Sales and Marketing Officer, each of whom were key in leading the growth of Nextel's dispatch business. Their Nextel business plan first offered business users a dedicated dispatch radio network and then consolidated the fragmented 800 MHz SMR industry and eventually launched a nationwide dispatch radio network. They teamed with Motorola to develop the iDEN technology on which the Nextel dispatch radio network was deployed, and Motorola eventually became a major investor in Nextel when it sold Nextel its 800 MHz operations. After growing the subscriber base to approximately 23 million users, Nextel merged with Sprint at a stand-alone value of $36 billion in 2005. We also anticipate hiring experienced and successful sales, operating and technology personnel many of whom our senior management team previously worked with at Nextel or at other companies throughout the wireless industry.

Our Competitive Strengths

We believe the following strengths should provide us with a significant competitive advantage in implementing our business strategy:

Executive Team Track Record. Our senior executive team has a long, proven track record, with over 80 years of combined experience in the wireless telecommunications and dispatch radio industry. They are considered to be leaders in the industry and led the creation of the first all-digital nationwide wireless network that brought PTT to the mass business and consumer markets. Brian McAuley and Morgan O'Brien, our Chairman and Vice Chairman, respectively, were the co-founders of Nextel. While Mr. O'Brien remained on the board at Nextel, Mr. McAuley, after serving as Nextel's President and Chief Executive Officer for seven years, went on to found NeoWorld Communications in 1999. NeoWorld was subsequently purchased by Nextel in 2003. In addition, several members of our current management team held leadership roles at Nextel, including our President and Chief Executive Officer, John Pescatore, who also served at NeoWorld, Leon Frazier, our Chief Sales and Marketing Officer, and Timothy Gray, our Chief Financial Officer. We believe the combined strength of our executive team provides us a significant competitive advantage.

Dedicated Network. We believe our ability to provide a dedicated network to our targeted dispatch-centric customers in select markets throughout the United States will be a significant competitive advantage. Although the largest carriers offer a PTT service, these PTT solutions are super-imposed on a network designed primarily for telephony and data-based services. As a result, many short-comings exist. Most apparent are latency, or delay, issues, as well as reduced quality, functionality and overall ease of use. We believe our network solution, which will be dedicated to dispatch, will restore the speed, simplicity and reliability demanded by our targeted dispatch-centric customers and will enhance their communications within their organizations and with their suppliers, vendors and customers.

Bundled Mobile Resource Management Solution. Bundled with our Dispatch Plus service, we intend to provide our customers with our cloud-based pdvConnect mobile resource management solution, for an average total price of approximately $30 per month. While many local SMR dispatch providers are competitive at that price point, we believe our Dispatch Plus service should provide two significant advantages: (i) our service should provide greater coverage given our nationwide presence and (ii) our service will include our proprietary pdvConnect solution, which, on local SMR networks, can only be obtained through separate purchases from third-party vendors, usually piecemeal.

Attractive Pricing Model. We believe our total solution should provide significant value for our customers and arguably greater value than our competitors' comparable offerings. At an average monthly price of approximately $30, our proprietary solution will be significantly lower in price compared to the monthly fees currently charged by Tier 1 carriers for comparable offerings. In addition, given the amount of "prime" (below 1 GHz) spectrum we are acquiring, and particularly at the price at which we are acquiring it, we believe our cost for spectrum is considerably less than recent industry transactions, which should provide us with the opportunity to provide significant value to both our customers and our investors. We believe this value that we can offer to our customers will drive our ability to attain market share and increase our market penetration.

Robust Financial Model. We believe several advantages in our business model will drive attractive financial returns. We plan to deploy a network using high-site, high-power architecture, our network infrastructure which will only require approximately 10 to 12 sites per market, as compared to hundreds of sites required by the low-site, low-power architectures that many of our competitors utilize. We believe this will drive significantly lower operating expense and capital expense obligations versus Tier 1 carriers. In addition, based on our senior management's experience at Nextel and our familiarity with the industry, we believe that the churn rate of our target customers will be significantly lower than the churn rate experienced by Tier 1 carriers, driving a more predictable revenue stream.

Strategic Relationships. We have long-standing relationships with customers, vendors and wireless industry leaders. We have entered into a reseller agreement with Motorola, in which Motorola has agreed to provide us with the state-of-the-art MotoTRBO technology that we intend to use to deploy our network nationwide. We have entered into a letter of intent with Motorola under which it has indicated its intent to invest up to $10 million in a newly formed subsidiary of ours and to lease some of the Spectrum Assets. In addition, we intend to leverage Motorola's nationwide dealer network, which we believe consists of over 750 dealers nationwide in more than 1,500 locations, to sell our service. We believe this will enable us to reduce the upfront cost of establishing a nationwide sales and distribution network and allow us to more quickly achieve sales productivity. In addition, we believe our long-standing relationships with our customers and wireless industry leaders will help us rapidly develop our dispatch network.

Our Business Strategy

We intend to seek to generate revenue growth through the following strategies:

Establish a Nationwide Presence. Following our acquisition of the Spectrum Assets, we will be a licensee of nationwide spectrum in the 900 MHz band. We intend to establish a nationwide presence by first entering 20 of the top metropolitan areas in the United States. Within these markets, we intend to provide a dedicated network to our targeted dispatch-centric customers, which we believe will reduce many of the functionality issues these customers currently experience on the Tier 1 carrier networks and will allow for full operability, even during high usage events. As a nationwide dispatch provider, we will have the opportunity to offer the greatest dispatch coverage area in the U.S., which will allow us to serve businesses with a presence in more than one local market. In addition, we believe this national presence should provide us both scale and leverage that existing local SMR competitors will may have difficulty achieving.

Provide a Differentiated Service. Following Sprint's decision to de-commission its iDEN network in June 2013, we believe a compelling opportunity to provide a differentiated PTT service has emerged. We intend to provide our differentiated Dispatch Plus solution using state-of-the-art technology on dedicated networks in 20 major markets throughout the United States. Dispatch Plus, comprised of PTT communications and our proprietary pdvConnect solution, should provide our customers with instant PTT communications abilities combined with a holistic workforce management solution, pdvConnect, that allows them to achieve greater workplace efficiency and return on investment. We believe Dispatch Plus should provide our target customer group with the speed, simplicity, reliability and efficiency they demand.

Acquire and Retain the Most Valuable Customers. We intend to focus on acquiring and retaining the most valuable customers spanning industry verticals that have historically been dispatch-centric. These verticals include construction, distribution, transportation, field services, waste management and hospitality. Given the potential advantages of our service over current PTT and dispatch solutions, we believe that we have the opportunity to gain market share as our customers choose our solution for a variety of factors, including price, quality of service, functionality, reliability and ease of use. Based on our senior management's experience at Nextel and our familiarity with the industry, we believe that the churn rate of our target customers will be significantly lower than the churn rate experienced by Tier 1 carriers.

Leverage our Established Industry Relationships. Due to our executive team's long, proven track record, we have significant market expertise and established industry relationships. We have significant relationships with wireless industry leaders and PTT operators. We intend to leverage these in order to provide us with both a strategic and operational advantage. In addition, we intend to leverage our existing relationships to hire and retain experienced and successful sales, operating, and technology personnel. We have entered into a reseller agreement with Motorola, who has agreed to provide us with the state-of-the-art MotoTRBO technology that we intend to use to deploy our network nationwide. We also intend to utilize Motorola's existing dealer network to sell our service. We believe this approach will "jump start" our sales and distribution network, thus reducing the typical distribution start-up costs and providing more immediate sales productivity.

Strategically Expand and Enhance Geographic Market Presence. Once we have successfully entered our initial 20 target markets, we intend to seek to further expand and enhance our geographic market presence into smaller, medium-sized markets through a variety of means, including deploying our own systems, leasing or franchising operations throughout the United States.

Increase the Value of Our Spectrum. Upon the closing of the acquisition of the Spectrum Assets, we will hold approximately 60% of the licenses within the 900 MHz band. While we intend to provide our Dispatch Plus product on narrowband technologies over the shorter term, we anticipate demands for high speed data and video services, even in the case of PTT users, should provide an impetus for change over the longer term. We believe our past successes, combined with our anticipated market position as a leading private dispatch carrier, can put us in an optimal position to become a leading private broadband carrier. We anticipate that we will have an opportunity in the future to request that FCC repurpose a portion of our spectrum. Further, we believe this strategy can significantly increase the value of our spectrum, possibly leading to 3x3 MHz broadband opportunities. However, we expect FCC consideration of such repurposing of the spectrum to take a significant amount of time, and there is no assurance that the FCC will approve the repurposing of the spectrum. Furthermore, the FCC approval may be subject to legal objections from other licensees and users of the 900 MHz spectrum. As a result, there is no assurance that we will ultimately be successful in obtaining the necessary approvals required to repurpose a portion of the 900 MHz spectrum from narrowband to broadband.

Our Network and Technology

Our devices, including our handsets and vehicle-mounted devices, as well as the state-of-the-art dispatch network infrastructure that we intend to deploy, known as MotoTRBO, are developed and designed by Motorola.

Our Network Technology. For over 80 years, Motorola has set the standard for dispatch radio and PTT. Its latest technology, MotoTRBO, is fully digital, employs Time-Division Duplexing (“TDD”) technology, and is highly efficient given its ability to derive two voice paths from a single 12.5 KHz channel. MotoTRBO is state-of-the-art technology that provides unrivaled voice quality, PTT functionality, and spectrum efficiency.

An important distinction about our network, versus cellular, is its high site, high power architecture that puts PTT at the core of functionality. In contrast to cellular technologies, such as the former iDEN network, our network architecture is not a low elevation, low power, multi-site configuration designed to support mobile data and telephony, which requires hundreds, and in some cases thousands, of cell sites in a general market or metropolitan area. Instead, the architecture of MotoTRBO is high site, high power with few sites needed in a general market or metropolitan area to provide on-street coverage. This design is intended for optimum PTT performance either in one-to-one or one-to-many communications. In addition, as preferred by our target customers, the corresponding personal devices are larger, more powerful, and more “ruggedized” than typical phones and/or Smartphones. Although the high site, high power architecture is not optimal for cellular telephony and signal coverage can be limited in dense areas, such as being inside of a building in an urban area, it is optimal for PTT dispatch, particularly for one-to-many communications. In addition, because high power, high site architecture only requires approximately 10 to 12 sites per market, as opposed to hundreds required by low site, low power architectures, we believe that our cost of deployment and operation will be much less and the time for deployment much quicker. Finally, because the MotoTRBO technology is a currently existing and proven technology, our network deployment is not subject to developmental risk or supply delays.

Devices. In addition to our network infrastructure, Motorola has agreed to provide our PTT devices. We intend to sell these devices through Motorola’s dealer channel. We plan to offer our customers both handsets and vehicle-mounted devices. We also intend to include pdvConnect, our patented bundle of cloud-based mobile resource application software, preload on these devices.

Our Dispatch Plus Services

Upon the Spectrum Closing, we intend to finalize the design and commence the deployment of our PTT network in 20 of the top metropolitan areas throughout the United States. We believe this dedicated network offering will significantly improve latency, functionality, voice quality and ease of use for our customers, which can increase their operating efficiency and provide them with the speed and simplicity they require.

In addition to providing PTT dispatch services, Dispatch Plus will include our existing pdvConnect mobile resource management solution. This proprietary service offering is designed to give customers the ability to instantly set up PTT communications – either privately (one-to-one) or with a group (one-to-many) – within their calling area with just the touch of a "button." In addition, we believe pdvConnect will help companies increase productivity through the delivery of real-time information from mobile workers to dispatch operators, including GPS tracking and real time location, worker status, activity reporting and field event logging. PdvConnect can also integrate with corporate intranets and back-office systems, such as sales force automation, order entry, inventory tracking and customer relationship management. We intend to continually seek to enhance our wireless business solutions to meet the needs of specific customers based on their industry and individualized business needs, including a wide array of fleet and workforce management services that utilize the capabilities of our data network, such as the ability to accurately and in real time, locate handsets using Global Positioning System technology. We intend to back our services with an enterprise-grade, dedicated customer support team.

Below is a table that summarizes some of the key features of our pdvConnect suite:

Select pdvConnect Features

- Intelligent Call Queuing / Prioritization
- Color Coded Worker Status Mapping
- PTT Clock In / Out
- PTT Job Start / Job Complete
- PTT Broadcast to Any Mobile Device
- Advanced Geofencing
- Workforce Tracking
- Locate Nearest Worker
- Desktop and Tablet Command Center
- Dispatch Dashboard & Metrics
- Business Reporting
- Log Arrivals / Departures to Key Locations

Our Sales and Marketing Strategy

We intend to target small and medium-sized businesses with fewer than 1,000 employees. Our plan to primarily focus on industry verticals that, given the nature of their business and their asset and human resource profile, have historically been dispatch-centric. These verticals include construction, distribution, transportation, field services, waste management and hospitality. We believe our Dispatch Plus service should provide these businesses with the instant communication they need, and, coupled with our pre-packaged pdvConnect workforce management solution, the speed and simplicity they need to operate efficiently. We intend to offer our services on a no-contract basis, with services billed on a monthly basis according to the applicable pricing plan.

Our management estimates that our initial addressable market is approximately 6.8 million users across the top 20 markets that we intend to enter following our purchase of the Spectrum Assets. See "– Our Market Opportunity" and "– Our Spectrum Opportunity."

We intend to use the following sales channel to attract new customers:

- Indirect sales agents that primarily consist of the dealer network currently used by the manufacturing partner we select. For example, Motorola currently has a dealer network with over 750 dealers nationwide at over 1500 locations. We intend to offer these dealers attractive sales commissions programs, which we intend to include lifetime residual fees; and

- A small number of dedicated vertical / industry specialists focused on supporting our indirect sales agents.

Currently, we have a small sales team, most of whom have significant experience in dispatch and business communications, focused on the selling and marketing of pdvConnect.

Our marketing strategy will primarily focus on:

- Identifying and targeting high-value, small and medium-sized business customers that we believe will benefit from our Dispatch Plus service;
- Developing and bringing to market innovative products and services that continue to differentiate us from other wireless communications service providers that provide PTT solutions; and
- Focusing our advertising and marketing efforts on communicating the benefits of our services to our targeted group of potential small and medium-sized business customers.

Our Competition

Since the introduction of mobile communications technology, growth in the industry has been rapid. We believe that the market for wireless and dispatch services has been and will continue to be characterized by competition on the basis of price, the types of services and devices offered and quality of service. We will compete with a number of wireless Tier 1 carriers, including the largest four national wireless companies: AT&T, Inc., Verizon Wireless, Sprint Corp. and T-Mobile US Inc. While most of these competitors provide PTT services and mobile resource management solutions, they do not provide customers with a dedicated network for PTT, and prices for services comparable to our Dispatch Plus are usually higher or require an additional subscriptions for cellular voice and/or data plans. (See "– Overview").

In addition to the Tier 1 carriers, we also compete with local SMR and other dispatch service providers. While these providers are competitive in terms of price for the basic PTT service, we believe that our proprietary solution should provide a distinct competitive advantage due to our nationwide spectrum footprint as well as our pdvConnect workforce management solution that will come pre-packaged in the devices we deliver. On local SMR networks, some of the functionality, but not all, can be obtained from separate purchases through multiple third-party vendors. We believe this bundle provides our customers with additional value along with the speed, simplicity and reliability they demand. (See "– Overview").

Our Relationship with Sprint Corporation

We entered into the Sprint APA, on May 13, 2014, with Sprint to acquire the Spectrum Assets, including: (i) FCC licenses to operate a nationwide dispatch network in the 900 MHz spectrum and (ii) certain 900 MHz equipment. We agreed to pay Sprint an aggregate of $100 million, consisting of $90 million in cash and $10 million in shares of our common stock at a price equal to $20.00 per share. We have deposited $13.5 million with Sprint, which amount is fully refundable if the Sprint APA is terminated before the Spectrum Closing. The balance of the purchase price is due upon the Spectrum Closing following the receipt of all necessary approvals from the FCC. The parties agreed to split any transfer taxes associated with the transfer of the Spectrum Assets, if any.

Pursuant to the terms of the Sprint APA, the parties prepared and filed with the FCC the applications necessary to transfer the 900 MHz licenses from Sprint to the company. The parties also prepared and submitted the filing required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and as of the date of this prospectus, has received notice from the FTC that the applicable waiting periods under the HSR Act have been terminated.

We intend to complete the Spectrum Closing within five days of the satisfaction of the closing conditions in the Sprint APA, which include (among others):

- All approvals and authorizations required to be obtained from the FCC for the transfer of the Spectrum Assets have been obtained and become final orders;
- The applicable waiting periods under the HSR Act have expired or been terminated (which has been completed); and
- No judgment, decree or order has been entered or any other action threatened that would prevent the transfer of the Spectrum Assets.

The Sprint APA provides that we will assume all liabilities related to the Spectrum Assets after the date of the Spectrum Closing, with Sprint retaining all liabilities that have been incurred prior to the date of the Spectrum Closing. The Sprint APA also contains representations, warranties and covenants from the respective parties, as well as customary indemnification obligations.

The Sprint APA also requires the parties to enter into a mutually acceptable transition services agreement that will detail the activities Sprint will perform for the company related to the continued operation of the Spectrum Assets for a period after the Spectrum Closing. We will be required to pay Sprint a customary fee for providing these transition services, which we will negotiate with Sprint prior to the Spectrum Closing. The transition services agreement will also detail the exact equipment that will be included as part of the Spectrum Assets.

The Sprint APA may be terminated prior to the Spectrum Closing as follows:

- by either party, if the FCC does not consent to the transfer of the licenses within 180 days after Sprint files the applications to transfer the licenses; provided, however, that if such consent has not been obtained due to no fault of either party, the 180 day period will be automatically extended for up to two periods of 90 days each, for a total of an additional 180 days (for an aggregate total of 360 days);
- by Sprint, if FCC consent has not been obtained within 360 days after Sprint files the applications to transfer the licenses, subject to Sprint's option to extend the Sprint APA in its sole discretion for an additional 90 day period;
- by either party, upon material breach by the other party of any of its representations and warranties, covenants or agreements, which breach is not cured within 30 days after receipt of written notice thereof; and
- by mutual consent of the parties provided in writing.

Our Relationship with Motorola

We have signed a reseller agreement with Motorola pursuant to which we have agreed to purchase, and Motorola has agreed to supply us with, Motorola's MotoTRBO™ network and radio equipment to be used in the operation of our nationwide dispatch radio network. We have also signed a letter of intent with Motorola outlining our potential strategic relationships if we are successful in completing the acquisition of the Spectrum Assets. The letter of intent provides:

- ***Equity Investment.*** Motorola has indicated its intent to invest up to $10 million in a standalone subsidiary of the company that we intend to form to hold all of the 900 MHz spectrum we acquire from Sprint. Motorola's ownership interests in the subsidiary will be convertible into shares of our common stock at a price equal to the $20.00 per share. Motorola's investment will not occur until, and is contingent upon, our completion of the acquisition of the Spectrum Assets. Motorola would not be entitled to any economics from the operations of our wholly-owned subsidiary or as a result of the 900 MHz spectrum.

- ***Spectrum Rights Agreement.*** We have indicated our intent to lease 900 MHz spectrum to Motorola on terms and conditions to be agreed to by the parties.

The reseller agreement is binding on the parties in accordance with its terms. The letter of intent regarding the additional business relationships we are discussing with Motorola is not binding. Our additional strategic relationships with Motorola are subject to further discussions and the negotiation of definitive agreements, and there is no assurance that we will be successful in entering into any of these additional strategic relationships with Motorola.

Intellectual Property

To establish and protect our proprietary technologies and products, we rely on a combination of patent, copyright, trademark and trade-secret laws, as well as confidentiality provisions in our contracts. We have implemented a patent strategy designed to protect our technology and facilitate the commercialization of our product offerings. Currently, our patent portfolio is comprised of six issued U.S. patents, two issued European patents, and one pending U.S. patent application, all of which have been assigned to and are owned by the company. In addition, we have several trademarks and service marks to protect our reputation, goodwill and brand. There are no claims or litigation regarding trademarks, patents, copyrights, or service marks. We also rely on trade-secret protection of our intellectual property. We enter into confidentiality agreements with third parties, employees and consultants when appropriate.

Regulation

Upon the close of the acquisition of the Spectrum Assets, we will hold licenses as a non-interconnected non-common carrier SMR service provider, and will be subject to regulation as a Private Mobile Radio Service ("PMRS") licensee by the FCC. The FCC regulates the licensing, construction, operation and acquisition of our wireless operations and wireless spectrum holdings in the United States.

Within the limitations of available spectrum and technology, PMRS operators are authorized by the FCC to provide non-interconnected mobile communications services, including two-way radio dispatch (sometimes referred to as walkie-talkie), and mobile data and internet services. We intend to use MotoTRBO technology developed and manufactured by Motorola to deliver these services on our non-contiguous 900 MHz spectrum.

Licensing. Wireless communications providers using the spectrum we are acquiring must be licensed by the FCC to provide communications services at specified spectrum frequencies within specified geographic areas and must comply with the rules and policies governing the use of the spectrum as adopted by the FCC. The FCC issues each license for a fixed period of time, typically 10 years in the case of SMR licenses like ours. While the FCC has generally renewed licenses given to operating companies like us, the FCC has authority to both revoke a license for cause and to deny a license renewal if a renewal is not in the public interest. Furthermore, we could be subject to fines, forfeitures and other penalties for failure to comply with FCC regulations, even if any such non-compliance was unintentional. The loss of any licenses, or any related fines or forfeitures, could adversely affect our business, results of operations and financial condition.

The Communications Act of 1934, as amended, and FCC rules require the FCC's prior approval of the assignment or transfer of control of wireless licenses, with limited exceptions. The FCC may prohibit or impose conditions on assignments and transfers of control of licenses. Non-controlling interests in an entity that holds a wireless license generally may be bought or sold without FCC approval. The FCC engages in a case-by-case review of transactions that involve the consolidation of spectrum licenses or leases and may apply a spectrum "screen" in examining such transactions. Because an FCC license is necessary to lawfully provide wireless service, if the FCC were to disapprove any such filing, our business plans would be adversely affected. The FCC's rules permit spectrum lease arrangements for a range of wireless radio service licenses, including our licenses, with FCC oversight. Approval from the Federal Trade Commission and the Department of Justice, as well as state or local regulatory authorities, also may be required if we sell or acquire spectrum.

900 MHz Band Spectrum Reconfiguration. FCC cooperation and approval is required to allow repurposing of 900 MHz spectrum to create a contiguous 6 MHz position in that band consistent with our long-range plans, as well as for the deployment of broadband that is capable of supporting LTE. A decision by the FCC declining to permit the needed spectrum repurposing could have a significant effect on our future plans for provision of broadband services.

FCC Regulations. The FCC does not currently regulate rates for services offered by PMRS providers. We may be subject to other FCC regulations that impose obligations on wireless providers, such as federal Universal Service Fund obligations, which require communications providers to contribute to a fund that supports subsidized communications services to underserved areas and users; rules governing billing, subscriber privacy and customer proprietary network information; roaming obligations; rules that require wireless service providers to configure their networks to facilitate electronic surveillance by law enforcement officials; rules governing spam, telemarketing and truth-in-billing; and rules requiring us to offer equipment and services that are accessible to and usable by persons with disabilities, among others. There are also pending proceedings that may affect spectrum aggregation limits and/or adjustment of the FCC's case-by-case spectrum screens; regulation surrounding the deployment of advanced wireless broadband infrastructure; the imposition of text-to-911 capabilities; and the transition to IP networks, among others. Some of these requirements and pending proceedings (of which the foregoing examples are not an exhaustive list) pose technical and operational challenges to which we, and the industry as a whole, have not yet developed clear solutions. We are unable to predict how these pending or future FCC proceedings may affect our business, financial condition or results of operations. Our failure to comply with any applicable FCC regulations could subject us to significant fines or forfeitures.

State and Local Regulation. In addition to FCC regulation, we may be subject to certain state regulatory requirements. The Communications Act of 1934, as amended, preempts state and local regulation of the entry of, or the rates charged by, any PMRS provider. State and local governments are permitted to manage public rights of way and can require fair and reasonable compensation from wireless providers for use of those rights of way so long as the compensation required is publicly disclosed by the government. The siting of base stations also remains subject to state and local jurisdiction. States also may impose competitively neutral requirements that, among other things, are necessary for universal service or to defray the costs of state E911 services programs, to protect the public safety and welfare, and to safeguard the rights of customers.

Tower Siting. As a wireless system, we may be required to comply with various federal, state and local regulations that govern the siting, lighting and construction of transmitter towers and antennas, including requirements imposed by the FCC and the Federal Aviation Administration. FCC rules subject certain tower site locations to extensive zoning, environmental and historic preservation requirements and mandate consultation with various parties, including State and Tribal Historic Preservation Offices, which can make it more difficult and expensive to deploy facilities. The FCC has, however, imposed a tower siting "shot clock" that requires local authorities to address tower applications within a specific timeframe, which can assist carriers in more rapid deployment of towers. The FCC antenna structure registration process also imposes public notice requirements when plans are made for construction of, or modification to, antenna structures required to be registered with the FCC, potentially adding to the delays and burdens associated with tower siting, including potential challenges from special interest groups. To the extent governmental agencies continue to impose additional requirements like this on the tower siting process, the time and cost to construct towers could be negatively impacted.

Motor Vehicle Restrictions. A number of states and localities have banned or are considering banning or restricting the use of wireless phones while driving a motor vehicle, which in many instances includes the use of PTT devices. Such bans could cause a decline in the number of minutes of use by subscribers or make our service less attractive to certain potential subscribers.

Electronic Surveillance. We may be required by law to provide certain surveillance capabilities to law enforcement agencies. If required, we intend to deliver the requisite surveillance capabilities to law enforcement with respect to our PTT service.

National Security. National security and disaster recovery issues continue to receive attention at the federal, state and local levels. For example, Congress is expected to again consider cyber security legislation to increase the security and resiliency of the nation's digital infrastructure. In 2013, the President issued an executive order directing the Department of Homeland Security and other government agencies to take a number of steps to improve the security of the nation's critical infrastructure. The details surrounding the implementation of this order have not been resolved, however, and we cannot predict the cost impact of such measures. Moreover, the FCC continues to examine issues of network resiliency and reliability and may seek to impose additional regulations designed to reduce the severity and length of disruptions in communications.

Legal Proceedings and Other Matters

We are not involved in any legal proceedings or other legal matters at this time. However, from time to time, we may be involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, we believe the resulting liabilities would not have a material adverse effect on our financial condition or results of operations.

Employees

As of June 30, 2014, we had 26 employees, consisting of 25 full-time employees and one part-time employee. None of our employees are covered by a collective bargaining agreement, and we believe that our relationship with our employees is positive.

Corporate Information

Our principal executive offices are located at 100 Hamilton Plaza, Paterson, New Jersey 07505. Our main telephone number is (973) 771-0300. Our internet website is *www.pdvcorp.com*. Information contained on our website is not part of the registration statement of which this prospectus is a part.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of August 1, 2014.

Name	Age	Position with Pacific DataVision
Brian McAuley	73	Chairman of the Board
Morgan O'Brien	69	Vice Chairman of the Board
John Pescatore	50	Chief Executive Officer, President and Director
Timothy Gray	44	Chief Financial Officer
Frank Creede	56	Chief Technology Officer
Leon Frazier	67	Chief Sales and Marketing Officer
Richard E. Rohmann	69	Executive Vice President and Secretary
T. Clark Akers	56	Director
Andrew Daskalakis	80	Director
Peter Schiff	62	Director
John C. Sites	62	Director

The business address for our directors and executive officers is c/o Pacific DataVision, Inc., 100 Hamilton Plaza, Paterson, New Jersey 07505.

Brian D. McAuley. Mr. McAuley has served as our Chairman of the Board since 2004. Mr. McAuley is a co-founder of Nextel Communications, Inc. and held senior executive positions at Nextel from its inception in 1987 until 1996, including seven years as president and chief executive officer. Upon leaving Nextel, he joined Imagine Tile, Inc., a custom tile manufacturer, where he served as chairman and chief executive officer from 1996 to 1999 and where he continues to serve as chairman. He also served as president and chief executive officer of NeoWorld Communications, Inc., a wireless telecommunications company, from 1999 until the sale of that company to Nextel in 2003. Mr. McAuley is a certified public accountant and, prior to co-founding Nextel, his positions included chief financial officer of Millicom Incorporated, corporate controller at Norton Simon Inc. and manager at Deloitte & Touche LLP. He also currently serves on the board of directors of United Rentals (NYSE: URI). Mr. McAuley has a Bachelor of Business Administration Degree from Adelphi University and is a Certified Public Accountant and a member of various finance and telecommunications industry organizations.

We believe Mr. McAuley is qualified to serve on our board of directors based on his prior experience in founding, building and serving as an executive officer at leading telecommunications companies, his prior experience in building a nationwide dispatch network at Nextel and his experience serving on the board of directors of other private and public companies.

Morgan E. O'Brien. Mr. O'Brien has served as a member of our board of directors since April 2012, and as Vice Chairman since May 2014. From January 2009 to present, Mr. O'Brien has served as an independent consultant to several wireless start-ups and as a member of the board of directors of Global Telecom and Technology, Inc. As the co-founder and chairman of Nextel Communications, Inc., Mr. O'Brien led the creation of the first all-digital nationwide wireless network (the Nextel National Network) and brought PTT (PTT) communication to the mass business and consumer market. After the merger of Nextel with Sprint, he was a co-founder of Cyren Call Communications, where he served until January 2009. Mr. O'Brien was recognized in 1987 as New Jersey Entrepreneur of the Year and was voted the RCR Person of the Year in 1993 and again in 2006. In 2005 he was inducted into the Washington, DC Business Hall of Fame and in 2007 he was named a Fellow of the Radio Club of America and was named by Fierce Wireless as "one of the top U.S. wireless innovators of all time." Mr. O'Brien has also served on a number of boards of other public companies including Sprint Nextel and Williams Telecommunications. He also serves on the board of several private companies and

charitable organizations. Mr. O'Brien is a graduate of Georgetown University and received his law degree from Northwestern University.

We believe Mr. O'Brien is qualified to serve on our board of directors based his prior experience in founding, building and serving as an executive officer at Nextel and Cyren Call Communications, his prior experience in building a nationwide dispatch network at Nextel, his expertise in FCC licensing and compliance matters and his experience serving on the board of directors of other private and public companies.

John C. Pescatore. Mr. Pescatore has served as our President, Chief Executive Officer and a member of our board of directors since August 2004. He is a seasoned telecommunications executive with particular expertise in start-up and rapidly growing companies. Prior to his current role as our President and Chief Executive Officer, he was Executive Vice President and Chief Operating Officer of NeoWorld. NeoWorld was founded to develop and launch a nationwide dispatch system and held spectrum in major markets throughout the United States. The company was successfully sold to Nextel Communications in 2003. Prior to that, Mr. Pescatore was Executive Vice President of Operations with Expanets, Inc., one of the fastest growing voice and data communications solutions and services companies in the United States. He was one of the key architects in building Expanets and saw the business through enormous growth by strategic acquisitions. Prior to that, Mr. Pescatore was part of the team involved in the start-up of Nextel Communications, where he held numerous senior leadership positions including Vice President of Operations, President of the Two-Way Radio Division and President of the New York Area during its digital system rollout. Prior to Nextel, Mr. Pescatore was a consultant with Deloitte & Touche. He earned his undergraduate degree in accounting from New York University and earned his CPA certification. Mr. Pescatore is also a member of the board of directors of Covenant House International.

We believe Mr. Pescatore is qualified to serve on our board of directors based on his service as an executive at leading telecommunications companies, his expertise in the dispatch network market and his financial and accounting expertise.

Timothy Gray. Mr. Gray joined the company as Chief Financial Officer in June 2014. From November 2011 to May 2013, Mr. Gray served as Senior Vice President and Chief Financial Officer of MedImmune, Inc. and then served as Senior Vice President of Finance for MedImmune's Specialty Care Group until November 2013. Mr. Gray also served in various other finance roles at MedImmune since April 2008. Prior to joining MedImmune, Mr. Gray also served in finance positions at AOL and Nextel and started his career at Deloitte and Touche. He is also a member of the Audit Committee of the Children's Inn at the National Institutes of Health. Mr. Gray holds a BBA in Accounting from the University of Notre Dame and is a certified public accountant.

Frank Creede. Mr. Creede has served as our Chief Technology Officer since 2003. He has our led the strategy, development and operation of our enterprise focused, carrier grade, mobile applications and cloud services. Mr. Creede is a former board member of the San Diego Tech Coast Angels and an angel investor in over 10 Southern California emerging high tech companies. From 1986 to 2002, Mr. Creede was the Chairman, President & CEO of Logic Innovations, Inc., which he founded and which was acquired by Xyratex Ltd. in 1999. He also founded Staffing Innovations, LLC, a technical contract outsourcing business in 1997, which was acquired in 2012. Mr. Creede is a volunteer mentor at the Chairman's Roundtable, and a volunteer on the CommNexus NextStage committee. He holds a Bachelor's of Science Degree in Electrical Engineering from UC Davis and he has completed coursework for the MBA program at San Diego State University.

Leon Frazier. Mr. Frazier became our Chief Sales and Marketing Officer in June 2014. He has conducted an independent consulting practice since May 2012 after leaving Bloomberg Government Sales and Marketing as Head of Sales, which he was recruited to start in 2010. Prior to this Mr. Frazier served as Sprint's Vice President of Public Sector Business (which included State and Local Government, Education, Utilities, Healthcare and Federal Government). From September 2005 until August 2006, he became their Senior Vice President of Enterprise and Public Sector (which included construction, manufacturing, professional services and distribution) and continued as Sprint's Senior Vice President of Enterprise and Public sector until his retirement from Sprint in

2007. Prior to joining Sprint, Mr. Frazier was Vice President of Public Sector at Nextel, which position he held since 2001 after joining Nextel in 1997 and designing and implementing a corporation accounts program which was responsible for sales to 375 of the Fortune 500. Mr. Frazier has more than 33 years of experience in the telecommunications industry, starting in 1981 at RCA where he was a Senior Vice President with subsequent positions at General Electric and Mitel Business Telephone Systems where he was Vice President and General Manager of the North American Division. Mr. Frazier graduated from Virginia Commonwealth University in 1971 with a bachelor's degree in Business Management.

Richard E. Rohmann. Mr. Rohmann is one of our co-founders and is our Secretary and Executive Vice President focused on the development of our technology platform, and has filled such roles since 2004. Mr. Rohmann previously served as a director on our Board of Directors from 2004 until we completed the private placement in June 2014. Mr. Rohmann was also our President from 1997 until 2003. He designed and developed our first two commercial software products, as well as the original corporate web site. Mr. Rohmann created the database schema and user interface for the first commercial version of our series of telecommunications services that enable wireless PTT dictation and documentation from mobile phones. He is a co-inventor on our six granted U.S. and two international patents and several pending patents. Before co-founding our company, he served for nine years as Vice President of Operations and Vice President of Asset Management for The Lomas Santa Fe Group, a privately held real estate owner/developer. Prior to that, he served as Vice President and Chief Operating Officer of HomeVest Real Estate Securities, and President of HHC Mortgage Corporation and HHC Management Company, real estate syndication affiliates of the former Home Federal S & L. His military service includes 4-1/2 years as an Aircraft Maintenance Officer in the United States Air Force. He holds an MBA in finance from San Diego State University and a Bachelor's degree in zoology, mathematics, and chemistry from the University of Colorado, which he attended as a Boettcher Scholar.

T. Clark Akers. Mr. Akers joined our Board of Directors upon the completion of our private placement in June 2014. He has been a Managing Director at Commerce Street Capital, a Dallas investment banking firm that serves financial institutions and middle market companies, since 2009. His responsibilities at Commerce Street include raising capital for Small Business Investment Company (SBIC) funds for experienced U.S. investment managers. Mr. Akers holds both Series 7 and Series 63 License Registrations with the National Association of Securities Dealers, Inc. Mr. Akers also serves on the Advisory Board of Pharos Capital Group, a private equity firm based in Nashville and Dallas. Mr. Akers also serves on the Board of Managers and is a founder and Vice President of Continuum 700 LLC, a wireless start-up that has acquired ten 700 MHz A Block licenses covering a population of approximately 12 million people. In preparation to bid on those licenses in a 2008 FCC 700MHz spectrum auction, Mr. Akers and his partners raised $68 million of capital for Continuum 700 LLC. Mr. Akers recently served as Vice Chairman of Intechra, the largest electronic waste and asset disposal company in the U.S. As a founder of Intechra, Mr. Akers raised $50 million of equity that was necessary for the organic and acquisitive growth which marked Intechra's rise to leadership in the e-waste business. Additionally, he was responsible for recruiting key members of Intechra's management team. Following those initiatives, he worked closely with the sales team on targeted Fortune 100 business development efforts. Mr. Akers' tenure with Intechra began in 2004 and ended in 2009. Prior to Intechra, Mr. Akers served as Senior Vice President of External Affairs for TeleCorp PCS, Inc., the ninth largest wireless phone company in the U.S. before its acquisition by AT&T Wireless in 2002. Mr. Akers received his Bachelor of Arts degree from Vanderbilt University in 1979.

We believe Mr. Akers is qualified to serve on our board of directors based on his prior experience as an executive in the telecommunications industry, his experience in providing fund raising and advisory services to growth companies, and his knowledge of the capital markets.

Andrew Daskalakis. Mr. Daskalakis has served as a member of our board of directors since 2004. Mr. Daskalakis currently serves as President of AMK International, Inc., an investment fund that he founded over 15 years ago. He has over 30 years of experience in wireless communications and has successfully operated a dispatch radio business. A wireless industry pioneer, he has held engineering management positions with

AT&T's Bell Labs where he was co-inventor of the Cellular Telephone System. He has also held senior executive positions with Motorola, Satellite Business Systems and was President and CEO of Cellular Telephone Co. He has also served as a consultant for Nextel Communications.

We believe Mr. Daskalakis is qualified to serve on our board of directors based on his leadership experience as an executive in the telecommunications industry, his expertise in operations and investing in growth companies, his prior experience with building and operating dispatch networks and his experience serving as a director on other boards of directors.

Peter Schiff. Mr. Schiff has served as a member of our board of directors since August 2004. He also currently serves as Managing Partner of Northwood Ventures LLC and Northwood Capital Partners LLC, a venture capital firm, which he founded in 1983. Prior to founding Northwood Ventures LLC, Mr. Schiff worked in the private equity division of E.M. Warburg, Pincus & Co., and previously had been an officer in the corporate division of Chemical Bank (now JPMorgan Chase & Co.). He serves as a director of many of Northwood's portfolio companies. Mr. Schiff graduated from Lake Forest College and received an M.B.A. from University of Chicago's Booth School of Business with concentrations in Finance and Marketing. In 2009, he was awarded the honorary degree of Doctor of Laws by the Lake Forest College after serving as a trustee for 16 years, culminating in being its Chairman. Northwood Ventures was an early investor in several enterprise focused carriers including Nextel Communications, Dispatch Communications and NeoWorld.

We believe Mr. Schiff is qualified to serve on our board of directors based on his experience in advising and investing in growth companies, his knowledge of the capital markets and his experience serving as a director on other boards of directors.

John Sites Jr. Mr. Sites has served as a member of our board of directors since August 2004. He has been a partner at Wexford Capital since 2008, and joined Wexford Capital in 2006, where he focuses on private and public equity investing. Prior to joining Wexford in 2006, he was a general partner of Daystar Special Situations Fund and Rock Creek Partners II, Ltd for ten years. From 1981 to 1995, Mr. Sites was employed by Bear Stearns & Co., Inc. where he attained the position of Executive Vice President and was a member of the board of directors. While at Bear Stearns, Mr. Sites established the firm's mortgage and asset-backed department, served on the firm's executive and compensation committees, was co-head of the taxable fixed income group and oversaw Bear Stearns Asset Management and the Financials Institutions Group. From 1974 to 1981, Mr. Sites worked at Trading Company of the West, First Pennco Securities and Morgan, Keegan & Company. Mr. Sites holds a BA in economics from Rhodes College and is a member of Phi Beta Kappa.

We believe Mr. Sites is qualified to serve on our board of directors based on experience in investing in private and public growth companies, his knowledge of the capital markets and his experience serving as a director on other boards of directors.

Governance of Our Company

Overview: We seek to maintain high standards of business conduct and corporate governance, which we believe are fundamental to the overall success of our business, serving our stockholders well and maintaining our integrity in the marketplace. Our corporate governance guidelines and code of business conduct and ethics, together with our certificate of incorporation, bylaws and the charters of our board committees, form the basis for our corporate governance framework. As discussed below, our board of directors has established three standing committees to assist it in fulfilling its responsibilities to the Company and its stockholders: the audit committee, the compensation committee and the nominating and corporate governance committee.

Corporate Governance Guidelines: Our corporate governance guidelines are designed to help ensure effective corporate governance of our company. Our corporate governance guidelines cover topics including, but not limited to, director qualification criteria, director responsibilities, director compensation, director orientation

and continuing education, communications from stockholders to the board, succession planning and the annual evaluations of the board and its committees. Our corporate governance guidelines are reviewed by the nominating and corporate governance committee of our board and revised when appropriate.

Our Board of Directors: Our board of directors currently consists of seven persons. The number of members of our board of directors can be determined from time to time by action of our board of directors.

We are not currently required to comply with the corporate governance rules of any stock exchange, upon the effectiveness of the registration statement of which this prospectus is a part, we will be subject to the Sarbanes-Oxley Act and related SEC rules. In addition, we intend to apply to list our common stock on the NYSE MKT. If our common stock becomes listed on a stock exchange, we will become subject to the rules of such stock exchange. Generally, these rules require a number of directors serving on our board who meet standards of independence.

Our board has determined that our four non-employee directors, including Messrs. Akers, Daskalakis, Schiff and Sites, each meet the independence standards established by the NYSE MKT.

Our board of directors believes its members collectively have the experience, qualifications, attributes and skills to effectively oversee the management of our company, including a high degree of personal and professional integrity, an ability to exercise sound business judgment on a broad range of issues, sufficient experience and background to have an appreciation of the issues facing our company, a willingness to devote the necessary time to board duties, a commitment to representing the best interests of our company and our stockholders and a dedication to enhancing stockholder value.

Committees of our Board of Directors: Our board of directors has established three committees: the audit committee, the compensation committee and the nominating and corporate governance committee. Each of these committees consists of three members, each of whom satisfies the independence standards of the NYSE MKT.

Audit Committee. The audit committee is comprised of three of our independent directors, T. Clark Akers, Peter Schiff and John C. Sites, each of whom is able to read and understand fundamental financial statements, including our balance sheet, income statement, and cash flow statement as required by the rules of the NYSE MKT. Mr. Akers is the chairperson of the audit committee.

The functions of the audit committee include the retention of our independent registered public accounting firm, reviewing and approving the planned scope, proposed fee arrangements and results of our company's annual audit, reviewing the adequacy of our company's accounting and financial controls and reviewing the independence of our company's independent registered public accounting firm. Our board of directors has determined that each member of the audit committee is an "independent director" under the listing standards of the NYSE MKT and the applicable rules and regulations of the SEC. The board has also determined that Clark Akers, Peter Schiff and John C. Sites are each an "audit committee financial expert" within the applicable requirements of the SEC. The audit committee is governed by a written charter approved by the board of directors, which complies with the applicable provision of eth Sarbanes-Oxley Act and related rules of the SEC and the NYSE MKT.

Compensation Committee. The compensation committee is comprised of three of our independent directors, Peter Schiff, John C. Sites and Andrew Daskalakis. Mr. Schiff is the chairperson of the compensation committee. The functions of the compensation committee include the approval of the compensation offered to our executive officers and recommendation to the full board the compensation to be offered to our directors. In accordance with the listing standards of the NYSE MKT, the compensation committee will evaluate the independence of each compensation consultant, outside counsel and advisor retained by or providing advice to the compensation committee. The board of directors has determined that each of Messrs. Schiff, Sites and Daskalakis is an "independent director" under the listing standards of the NYSE MKT, including the additional requirements that apply to members of the Compensation Committee. In addition, the members of the compensation committee

qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee is governed by a written charter approved by our board of directors.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee is comprised of three of our independent directors, Andrew Daskalakis, T. Clark Akers and Peter Schiff. Mr. Daskalakis is the chairperson of the nominating and corporate governance committee. The functions of the nominating and corporate governance committee include the identification, recruitment and nomination of candidates for our board of directors and its committees, making recommendations to our board of directors concerning the structure, composition and functioning of our board of directors and its committees (including the reporting channels through which our board of directors receives information and the quality and timeliness of the information), developing and recommending to our board of directors corporate governance guidelines applicable to our company and annually reviewing and recommending changes (as necessary or appropriate), overseeing the annual evaluation of our board of directors' effectiveness and performance, and periodically conducting an individual evaluation of each director. Our board of directors has determined that each member of the nominating and corporate governance committee will be an "independent director" under the listing standards of the NYSE MKT. The nominating and corporate governance committee will be governed by a written charter approved by our board.

Compensation Committee Interlocks and Insider Participation: No member of our Compensation Committee has at any time been our employee. Except as set forth herein, none of our executive officers serves, or has served during the last fiscal year, as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our board or our Compensation Committee.

Code of Business Conduct and Ethics: Our board of directors adopted a code of business conduct and ethics that will apply to our officers, directors and employees. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and to promote the following:

- Prohibiting conflicts of interest (including protecting corporate opportunities);
- Protecting our confidential and proprietary information and that of our customers and vendors;
- Treating our employees, customers, suppliers and competitors fairly;
- Encouraging full, fair, accurate, timely and understandable disclosure;
- Protecting and properly using company assets;
- Complying with laws, rules and regulations (including insider trading laws); and
- Encouraging the reporting of any unlawful or unethical behavior.

Any waiver of the code of business conduct and ethics for our executive officers, directors or employees may be made only by our nominating and corporate governance committee and will be promptly disclosed as required by law or stock exchange rules once we become a public reporting company.

Board Leadership Structure: Mr. McAuley serves as Chairman of our board of directors. Our board has determined that separating the positions of Chief Executive Officer and Chairman of the Board is in the best interests of the Company and its stockholders at this time. Our board believes our leadership structure enhances the accountability of our Chief Executive Officer to the board and encourages balanced decision making. In addition, the board believes that this structure provides an environment in which its independent directors are fully informed, have significant input into the content of board meetings and are able to provide objective and thoughtful oversight of management. Our board also separated the roles in recognition of the differences in responsibilities. While our Chief Executive Officer is responsible for the day-to-day leadership of the company,

the Chairman of the Board provides guidance to the board and sets the agenda for board meetings. The Chairman of the Board also provides performance feedback on behalf of the board to our Chief Executive Officer. The board intends to carefully evaluate from time to time whether our Chief Executive Officer and Chairman positions should remain separate based on what the board believes is best for the Company and its stockholders.

Board Oversight of Risk: Our board is actively involved in the oversight of risks that could affect the company. The board as a whole has responsibility for risk oversight of the Company's risk management policies and procedures, with reviews of certain areas being conducted by the relevant board committee. The board satisfies this responsibility through reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from management responsible for oversight of particular risks within the company. Specifically, the board committees address the following risk areas:

- The compensation committee is responsible for overseeing the management of risks related to, the retention and motivation of the company's executives and their compensation plans and arrangements.
- The audit committee discusses with management the company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- The nominating and corporate governance committee considers risks related to regulatory and compliance matters.

The board encourages management to promote a corporate culture that incorporates risk management into the company's day-to-day business operations.

Communications with the Board of Directors: The board desires that the views of stockholders will be heard by the board, its committees or individual directors, as applicable, and that appropriate responses will be provided to stockholders on a timely basis. Stockholders wishing to formally communicate with the board, any board committee, the independent directors as a group or any individual director may send communications directly to the company at Pacific DataVision, Inc., 100 Hamilton Plaza, Paterson, New Jersey 07505, Attention: Corporate Secretary. All clearly marked written communications, other than unsolicited advertising or promotional materials, are logged and copied, and forwarded to the director(s) to whom the communication was addressed. Please note that the foregoing communication procedure does not apply to (i) stockholder proposals pursuant to Exchange Act Rule 14a-8 and communications made in connection with such proposals or (ii) service of process or any other notice in a legal proceeding.

Limitations on Liabilities and Indemnification of Directors and Officers: For information concerning limitations of liability and indemnification and advancement rights applicable to our directors and officers, see "Description of Capital Stock – Limitations on Liability, Indemnification of Officers and Directors and Insurance."

Executive Officer Compensation

Summary Compensation Table

The following table summarizes information concerning the compensation awarded to, earned by, or paid for services rendered in all capacities by our named executive officers during the years ended March 31, 2014 and March 31, 2013. The compensation described in this table does not include medical, group life insurance, or other benefits which are available generally to all of our salaried employees.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Brian McAuley,								
Chairman of the Board	2014	48,000	—	—	—	—	—	48,000
	2013	23,660	—	—	—	—	—	23,660
John Pescatore,								
President and Chief Executive Officer	2014	200,000	—	—	—	—	—	200,000
	2013	189,883	—	—	—	—	—	189,883
Frank Creede,								
Chief Technology Officer	2014	175,000	—	—	—	—	—	175,000
	2013	166,150	—	—	—	—	—	166,150

Narrative to Summary Compensation Table

During the previous two fiscal years our company's operations have been minimal and other than base salaries, our company has not paid any other compensation to our executive officers, including our named executive officers.

Going-Forward Executive Compensation

On May 14, 2014, our board of directors approved a compensation program for our named executive officers as described below. Consistent with the size and nature of our company, our executive compensation program is simple, consisting of a base salary, an annual performance-based cash award and an annual long-term equity award under our 2014 Stock Plan.

Base Salary: The base salaries of our named executive officers depend on their job responsibilities, the market rate of compensation paid by companies in our industry for similar positions, our financial position, and the strength of our business. Base salaries provide a fixed means of compensation in order to attract and retain talent.

Performance-Based Cash Awards: As part of the company's executive compensation program, the board intends to establish an annual performance-based cash award program for our executive officers and other key employees for company and individual performance and to reinforce company goals and strategic initiatives. The annual performance-based cash awards will be based on the achievement of company and individual performance metrics established by the compensation committee. Following the end of each fiscal year, the compensation committee will be responsible for determining the bonus amount payable to the executive officer based on the achievement of company's and individual performance metrics established for such executive.

Long-Term Equity Awards: Our board of directors believes that equity ownership by our executive officers and key employees encourages them to create long-term value and aligns their interests with those of our stockholders. We intend to grant annual equity awards to our executive officers under our 2014 Stock Plan.

Special Compensation in Connection with this Registration Statement

Pursuant to the terms of the registration rights agreement we entered into in connection with the June 2014 private placement, our Chief Executive Officer and Chief Financial Officer each received a bonus from the company in the amounts of $35,000 and $23,500, respectively (10% of such person's base salary during the fiscal year ending March 31, 2015) because of the confidential submission of this resale registration within the time period prescribed in the registration rights agreement.

On May 14, 2014, our board of directors also approved the following compensation for the fiscal year ending March 31, 2015 our executive officers:

Brian McAuley, Chairman: Mr. McAuley's salary was increased from $48,000 to $200,000 effective as of July 1, 2014, and his target bonus eligibility was set at 75% of his base salary in connection with the private placement. Additionally, in connection with the private placement, he was granted a stock option to purchase 135,000 shares of our common stock with an exercise price equal to $20.00 per share. 25% of the option shares will vest on the first anniversary of the closing of the private placement, and the remainder of the option shares will vest in three equal annual installments thereafter.

Morgan O'Brien, Vice Chairman: Mr. O'Brien's salary was increased from $0 to $200,000 effective as of June 10, 2014, and his target bonus eligibility was set at 75% of his base salary in connection with private placement. Additionally, in connection with the private placement, he was granted a stock option to purchase 135,000 shares of our common stock with an exercise price equal to $20.00 per share. 25% of the option shares will vest on the first anniversary of the closing of the private placement, and the remainder of the option shares will vest in three equal annual installments thereafter.

John Pescatore, President and Chief Executive Officer: Mr. Pescatore's salary was increased from $200,000 to $350,000 effective as of July 1, 2014, and his target bonus eligibility was set at 100% of his base salary, in connection with private placement. Additionally, in connection with the private placement, he was granted a stock option to purchase 300,000 shares of our common stock with an exercise price equal to $20.00 per share. 25% of the option shares will vest on the first anniversary of the closing of the private placement, and the remainder of the option shares will vest in three equal annual installments thereafter.

Tim Gray, Chief Financial Officer: Mr. Gray's initial salary was set at $235,000 effective as of June 1, 2014, and his target bonus eligibility was set at 30% of his base salary, in connection with private placement. Additionally, in connection with the private placement, he was granted options to purchase 50,000 shares of our common stock with an exercise price equal to $20.00 per share. 25% of the options will vest on the first anniversary of the closing of the private placement, and the remainder of the option shares will vest in three equal annual installments thereafter.

Frank Creede, Chief Technology Officer: Mr. Creede's salary was increased from $175,000 to $250,000 effective as of July 1, 2014, and his target bonus eligibility was set at 60% of his base salary, in connection with private placement. Additionally, in connection with the private placement, he was granted a stock option to purchase 70,000 shares of our common stock with an exercise price equal to $20.00 per share. 25% of the option shares will vest on the first anniversary of the closing of the private placement, and the remainder of the option shares will vest in three equal annual installments thereafter.

Our compensation committee, which is comprised solely of independent directors, has the responsibility for evaluating and authorizing the compensation payable to our executive officers, including our named executive officers. Our compensation committee intends to hire a compensation consultant to advise the compensation committee on how to best compensate our executive officers and directors. Generally, a compensation consultant would provide us with competitive market data and analysis regarding the compensation elements proposed to be offered to our company's executive officers, including base salary, cash incentives and equity incentives.

Grant of Plan Based Awards

We did not grant any plan-based awards to our named executive officers during the fiscal year ended March 31, 2014.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding outstanding equity awards held by our named executive officers at March 31, 2014.

Name	Number of Securities Underlying Unexercised Options (#)Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date
Brian McAuley	—	—	—	—
John Pescatore	12,985	—	$ 13.25	12/1/2020
Frank Creede	1,509	—	$ 49.67	9/27/2016
	4,982		$ 13.25	12/1/2020

(1) The stock options were granted under our 2010 Stock Plan. All stock options have fully vested.

Pension and Nonqualified Deferred Compensation

We do not provide any retirement payments or benefits, other than under our 401(k) Plan, nor do we sponsor or maintain any nonqualified defined contribution or deferred compensation plans.

Potential Payments upon Termination or Change in Control

The table below describes the potential payments or benefits to our named executive officers upon termination of employment by us without cause or for good reason (each as defined in the named executive officer's employment agreement), as if each executive's employment terminated as of March 31, 2014. See "Employment Arrangements – Employment Agreements and Severance Arrangements with our Named Executive Officers" for additional information.

Name	Base Salary	Health	Stock or Option Vesting	Other	Total
Brian McAuley	$ —	—	—	—	—
John Pescatore	$200,000	—	—	—	$200,000
Frank Creede	$175,000	—	—	—	$175,000

Employment Agreements and Severance Arrangements with our Named Executive Officers

Brian McAuley

We do not have an employment agreement with Mr. McAuley.

John Pescatore

We entered into an employment agreement with Mr. Pescatore in August 2004, which was amended in June 2012. The terms of Mr. Pescatore's employment agreement provide that his base salary may be increased as determined by our board of directors. The original term of the employment agreement expired after two years from the effective date, and has been automatically renewing for a one year period each year thereafter, and will continue to renew unless we provide Mr. Pescatore advanced notice of nonrenewal.

If Mr. Pescatore's employment is terminated by our company without cause, he is entitled to receive a lump sum severance payment equal to 12 months of this base salary base salary. If Mr. Pescatore terminates his employment for good reason, he is entitled to receive a severance payment equal to 12 months of his base salary payable in 12 equal monthly payments. However, upon a termination without cause or for good reason, Mr. Pescatore will only be entitled (i) to 6 months of his base salary if he is in his final year of his employment period which has not been renewed or (ii) the base salary then in effect through the date of termination (but no less than 2 months base salary for a termination without cause) if he is past the final year of his employment period which has not been renewed.

Frank Creede

We entered into an employment agreement with Mr. Creede in July 2004, which was amended in June 2012. The terms of Mr. Creede's employment agreement provide that his base salary may be increased as determined by our board of directors. The original term of the employment agreement expired after two years from the effective date, and has been automatically renewing for a one year period each year thereafter, and will continue to renew unless we provide Mr. Creede advanced notice of nonrenewal.

If Mr. Creede's employment is terminated by our company without cause, he is entitled to receive a lump sum severance payment equal to 12 months of this base salary base salary. If Mr. Creede terminates his employment for good reason, he is entitled to receive a severance payment equal to 12 months of his base salary payable in 12 equal monthly payments. However, upon a termination without cause or for good reason, Mr. Creede will only be entitled (i) to 6 months of his base salary if he is in his final year of his employment period which has not been renewed or (ii) the base salary then in effect through the date of termination (but no less than 2 months base salary for a termination without cause) if he is past the final year of his employment period which has not been renewed.

"Good reason" in each of the employment agreements, as amended, with Messrs. Pescatore and Creede means (i) any action taken by the company that results in a significant diminution in the employee's responsibility, authority or status, other than an isolated and inadvertent action that is not taken in bad faith and is remedied by the company within 30 days after receipt of written notice from the employee, (ii) any change by the company of the office location, subject to certain limited exceptions, or (iii) any failure by the company to comply with any of its obligations regarding compensation, except for a decrease in the compensation paid that resulted from a determination by both the President/CEO and Chairman that the company's financial condition is such that a reduction in pay is essential to preserve the company and a similar decrease in pay is applied to all corporate officers or an isolated and inadvertent failure that is not taken in bad faith and is remedied by the company within 30 days of receipt of written notice.

"Cause" in each of the employment agreements, as amended, with Messrs. Pescatore and Creede means (i) a material breach of any provision of the agreement by the employee that is not cured within 30 days after the company delivers written demand to the employee specifying the breach, (ii) the employee's willful neglect or breach of this duties under the agreement, or refusal to carry out the reasonable and proper written instructions from the CEO and/or board of directors, (iii) the employee taking any willful action designed to damage the interests of the company, (iv) the employee committing any felony or crime of moral turpitude, or (v) any fraud or related acts.

Employee Benefit Plans

2014 Stock Plan

Our 2014 Stock Plan was adopted by our board of directors and approved by our stockholders on May 12 and May 30, 2014, respectively. 1,200,000 shares of our common stock have been initially authorized and reserved for issuance under our 2014 Stock Plan as option awards. This reserve will automatically increase on

January 1, 2015 and each subsequent anniversary through January 1, 2024 by an amount equal to the smaller of 5% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or a lesser amount determined by our board of directors. Appropriate adjustments will be made in the number of authorized shares and other numerical limits in our 2014 Stock Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards granted under our 2014 Stock Plan which expire, are repurchased or are cancelled or forfeited will again become available for issuance under our 2014 Stock Plan. The shares available will not be reduced by awards settled in cash. Shares withheld to satisfy tax withholding obligations will not again become available for grant. The gross number of shares issued upon the exercise of stock appreciation rights or options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under our 2014 Stock Plan.

Awards may be granted under our 2014 Stock Plan to our employees, including officers, directors or consultants, and our present or future affiliated entities. While we may grant incentive stock options only to employees, we may grant nonstatutory stock options, stock appreciation rights, restricted stock purchase rights or bonuses, restricted stock units, performance shares, performance units and cash-based awards or other stock-based awards to any eligible participant.

The 2014 Stock Plan is administered by our compensation committee. Subject to the provisions of our 2014 Stock Plan, the compensation committee determines, in its discretion, the persons to whom, and the times at which, awards are granted, as well as the size, terms and conditions of each award. All awards are evidenced by a written agreement between us and the holder of the award. The compensation committee has the authority to construe and interpret the terms of our 2014 Stock Plan and awards granted under our 2014 Stock Plan.

In the event of a change in control as described in our 2014 Stock Plan, our compensation committee may provide generally for one of three effects on awards:

- Accelerated vesting: in its discretion, our compensation committee may provide for acceleration of the exercisability, vesting and/or settlement in connection with a change in control of each or any outstanding award or portion thereof and shares acquired pursuant thereto.
- Assumption, continuation or substitution: the acquirer may, without the consent of any awardee, assume or continue our company's rights and obligations under each or any outstanding award or portion thereof immediately prior to the change in control or substitute a substantially equivalent award with respect to the acquirer's stock.
- Cash-out of outstanding stock-based awards: our compensation committee may, without the consent of any awardee, determine that each or any award denominated in shares of common stock or portion thereof outstanding and not previously exercised or settled shall be cancelled in exchange for a payment with respect to each vested share in cash, stock or other property.

From May 14, 2014 through June 30, 2014, we awarded certain employees and contractors of the Company 965,750 options to purchase shares of our common stock under our 2014 Stock Plan with an exercise price of $20.00 per share 25% of such options vest on the first anniversary of the applicable grant date and the remainder of the options vest in three equal annual installments thereafter.

2010 Stock Plan

Our 2010 Stock Plan was initially adopted by our board of directors and approved by our stockholders. The 2010 Stock Plan superseded the 2004 Stock Plan. Under the 2010 Stock Plan, there were 49,505 stock options and 126,251 restricted stock units outstanding as of June 30, 2014. After the effective date of our 2014 Stock Plan, no additional awards will be granted under our 2010 Stock Plan.

2004 Stock Plan

Our 2004 Stock Plan was initially adopted by our board of directors and approved by our stockholders. Under the 2004 Plan, there were 8,336 stock options vested and outstanding as of June 30, 2014. After the effective date of our 2014 Stock Plan, no additional awards will be granted under our 2004 Stock Plan.

401(k) Plan

We implemented a 401(k) Plan effective in January 2003, which does not provide for matching contributions by the Company.

Non-Employee Director Compensation

Since our formation, we have not compensated the non-employee members of our board of directors. As a result, during the fiscal year ended March 31, 2014, none of our non-employee directors received any compensation for their service on our board of directors or any board committee.

Non-Employee Director Compensation Program

Following the closing of the private placement, our compensation committee approved a non-employee director compensation program, pursuant to which our non-employee directors will be compensated for their services on our board of directors. The program will not be effective until approved by our board of directors.

Our non-employee director compensation program is expected to consist of the following elements:

Annual Cash Retainers: The annual cash compensation amounts will equal $10,000 for service on the board, $7,500 for service as the audit committee chair, $2,500 for service as the compensation committee chair, and $2,500 for service as the nominating and governance committee chair.

Long-Term Equity Awards: Non-employee directors will receive an initial award of a stock option to acquire 5,000 shares of common stock upon joining our board of directors and, if they continue to serve as directors following each annual meeting of stockholders, a stock option for 5,000 shares of common. The exercise price of each stock option will be set at the fair market value of the company's common stock on the date of grant. Each stock option will be fully vested on the date of grant.

Reimbursement: Our directors are entitled to reimbursement for reasonable travel and lodging expenses for attending board and committee meetings.

Our employee directors, including our Chairman of the Board and our Vice-Chairman of the Board, are not entitled to any additional compensation for their service on our board of directors.

SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth information about the beneficial ownership of our common stock by (i) each of our directors, (ii) each of our executive officers named in the Summary Compensation Table under "Executive Compensation," (iii) all our directors and executive officers as a group, and (iv) each person or group known by us to own more than 5% of our common stock. The percentages reflect beneficial ownership, as determined in accordance with the SEC's rules, as of June 30, 2014 and are based 11,830,290 shares of common stock outstanding (which does not include the 500,000 shares of common stock issuable to Sprint in connection with the Spectrum Closing). Except as noted below, the address for all beneficial owners in the table below is 100 Hamilton Plaza, Paterson, New Jersey 07505.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Directors and Executive Officers:		
Brian McAuley(2)	315,691	2.67%
Morgan O'Brien(3)	10,133	*
John Pescatore(4)	72,572	*
Frank Creede(5)	36,926	*
Andrew Daskalakis(6)	59,778	*
Peter Schiff(7)	214,329	1.81%
John C. Sites(8)	28,116	*
T. Clark Akers	—	*
All directors, director nominees and executive officers as a group (11 persons)	770,689	6.45%
5% or more Stockholders (not disclosed above):		
FIE II LLC (PIMCO)(9)	1,500,000	12.68%
Cerberus Capital Management, L.P.(10)	1,368,500	11.57%
Owl Creek Asset Management L.P.(11)	1,095,000	9.26%
Great American(12)	1,050,000	8.88%
Claren Road(13)	975,000	8.24%
QVT Financial LP(14)	900,000	7.61%
Serengeti Asset Management(15)	650,000	5.49%
UBS Global Asset Management (Americas) Inc.	600,375	5.07%
Credit Suisse Securities LLC(16)	600,000	5.07%

* Represents less than 1% of the number of shares of our common stock outstanding prior to and upon the completion of the offering, as applicable.

(1) Beneficial ownership of shares and percentage ownership are determined in accordance with the SEC's rules. In calculating the number of shares beneficially owned by an individual or entity and the percentage ownership of that individual or entity, shares underlying options, warrants or restricted stock units held by that individual or entity that are either currently exercisable or exercisable within 60 days from June 30, 2014 are deemed outstanding. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other individual or entity. Unless otherwise indicated and subject to community property laws where applicable, the individuals and entities named in the table above have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

(2) Includes a warrant to purchase 2,745 shares of common stock at an exercise price of $165.57 per share and 6,696 shares of common stock held by certain trusts for the benefit of Mr. McAuley's children of which Mr. McAuley is the trustee. Excludes an option to purchase 135,000 shares of common stock at an exercise price of $20.00, of which 25% of the options vest on the first anniversary of the closing of the private placement and the remainder of the options vest in three equal annual installments thereafter.

(3) Includes 7,549 restricted stock units, which are fully vested and which will settle on the earlier of (i) the termination of Mr. O'Brien's employment with the Company and (ii) May 12, 2017. Excludes an option to purchase 135,000 shares of common stock at an exercise price of $20.00, of which 25% of the options vest on the first anniversary of the closing of the offering and the remainder of the options vest in three equal annual installments thereafter.

(4) Includes a warrant to purchase 274 shares of common stock at an exercise price of $165.57 per share, outstanding options to purchase 12,985 shares of common stock at an exercise price of $13.25 per share, 41,392 restricted stock units, which are fully vested and which will settle on the earlier of (i) the termination of Mr. Pescatore's employment with the Company and (ii) May 12, 2017, and 1,809 shares of common stock held by certain of Mr. Pescatore's children. Excludes an option to purchase 300,000 shares of common stock at an exercise price of $20.00, of which 25% of the options vest on the first anniversary of the closing of the private placement and the remainder of the options vest in three equal annual installments thereafter.

(5) Includes options to purchase 6,491 shares of common stock at a weighted-exercise price of $21.71 per share and 14,548 restricted stock units, which are fully vested and which will settle on the earlier of (i) the termination of Mr. Creede's employment with the Company and (ii) May 12, 2017. Excludes an option to purchase 70,000 shares of common stock at an exercise price of $20.00, of which 25% of the options vest on the first anniversary of the closing of the private placement and the remainder of the options vest in three equal annual installments thereafter.

(6) Includes (i) 20,000 shares of common stock held by Mr. Daskalakis and (ii) 37,033 shares of common stock, and a warrant to purchase 2,745 shares of common stock at an exercise price of $165.57 per share, held by AMK International, Inc. of which Mr. Daskalakis has shared and dispositive voting power.

(7) Includes (i) 32,941 shares of common stock, a warrant to purchase 1,235 shares of common stock at an exercise price of $165.57 per share, held by Northwood Capital Partners, LLC, of which Mr. Schiff has shared and dispositive voting power, (ii) 164,057 shares of common stock, a warrant to purchase 5,902 shares of common stock at an exercise price of $165.67 per share, held by Northwood Ventures, LLC of which Mr. Schiff has shared and dispositive voting power, (iii) 5,097 shares of common stock held by SK Partners, of which Mr. Schiff has shared and dispositive voting power and (iv) 5,097 shares of common stock held by Southfield Communications, of which Mr. Schiff has shared and dispositive voting power.

(8) Includes a warrant to purchase 915 shares of common stock at an exercise price of $165.57 per share.

(9) PIMCO BRAVO Fund II, L.P. is the sole member of FIE II LLC. PIMCO GP XII, LLC is the sole general partner of PIMCO BRAVO Fund II, L.P. Pacific Investment Management Company LLC is the sole manager ofPIMCO GP XII, LLC., and is ultimately controlled by Allianz SE, which is a publicly held company in Germany. The address for FIE II LLC is 650 Newport Center Drive, Newport Beach, California 92660.

(10) Includes (i) 1,053,766 shares of common stock held by Cerberus Institutional Partners V, LP, (ii) 222,821 shares of common stock held by Cerberus International II Master Fund, LP, and (iii) 91,913 shares of common stock held by Cerberus Partners II, L.P. We have been informed by the selling stockholder that Stephen Feinberg, through one or more intermediaries, exercises sole voting and dispositive power over the shares held by Cerberus Institutional Partners V, L.P., Cerberus International II Master Fund, L.P. and Cerberus Partners II, L.P. The address for Cerberus Capital Management, L.P. is 875 Third Avenue, New York, New York 10022.

(11) Includes 642,400 shares of common stock held by Owl Creek Overseas Master Fund, LTD, 280,800 shares of common stock held by Owl Creek II, LP, 97,800 shares of common stock held by Owl Creek SRI Master Fund, LTD, 47,500 shares of common stock held by Owl Creek Credit Opportunities Master Fund, LP, and 26,500 shares of common stock held by Owl Creek I, LP, each of which are controlled by Owl Creek. Owl Creek Advisors, LLC, is the general partner of each of Owl Creek I, L.P., Owl Creek II, L.P., Owl Creek Overseas Master Fund, Ltd., Owl Creek SRI Master Fund, Ltd, and Owl Creek Credit Opportunities Master Fund, L.P. Owl Creek Asset Management, L.P. is the investment manager with respect to the shares of common stock held by each of Owl Creek I, L.P., Owl Creek II, L.P., Owl Creek Overseas Master Fund, Ltd., Owl Creek SRI Master Fund, Ltd, and Owl Creek Credit Opportunities Master Fund, L.P. Jeffrey A. Altman is the managing member of the general partner of Owl Creek Asset Management, L.P. and is the managing member of Owl Creek Advisors, LLC. We have been informed by the selling stockholder that

Jeffrey A. Altman, Owl Creek Asset Management, L.P. and Owl Creek Advisors, LLC each disclaim any direct ownership of the shares held by the selling stockholders.

(12) Includes (i) 650,000 shares of common stock held by Great American Life Insurance Company and (ii) 400,000 shares of common stock held by Great American Life Insurance Company. Each of Great American Life Insurance Company and Great American Insurance Company is a wholly owned subsidiary of American Financial Group, Inc. The address for Great American is 301 East 4th Street, Cincinnati, Ohio 45202.

(13) Includes (i) 522,500 shares of common stock held by Claren Road Credit Master Fund, Ltd. and (ii) 452,500 shares of common stock held by Claren Road Credit Opportunities Master Fund, Ltd. Claren Road Asset Management, LLC serves as investment manager for each of Claren Road Credit Opportunities Master Fund, Ltd. And Claren Road Credit Master Fund, Ltd.. We have been informed by the selling stockholder that each of Brian Riano, Sean Fahey, John Eckerson and Albert Marino share voting and dispositive power over the shares held by the selling stockholder. The address for Claren Road is 900 Third Avenue, 29th Floor, New York, New York 10022.

(14) Includes (i) 700,535 shares of common stock held by QVT Fund V LP, (ii) 116,815 shares of common stock held by QVT Fund IV LP, and (iii) 82,650 shares of common stock held by Quintessence Fund LP. Each of QVT Fund IV LP, OVT Fund V LP and Quintessence Fund L.P. are managed by their general partner, QVT Financial GP LLC. QVT Financial LP is the investment manager of each Quintessence Fund L.P., QVT Fund IV LP and QVT Fund V LP and shares voting and investment control over the securities held by Quintessence Fund L.P., QVT Fund IV LP and QVT Fund V LP. QVT Financial GP LLC is the general partner of QVT Financial LP and as such has complete discretion in the management and control of the business affairs of QVT Financial LP. We have been advised by the selling stockholder that the managing members of QVT Financial GP LLC are Daniel Gold, Nicholas Brumm, Arthur Chu and Tracy Fu and that each of Daniel Gold, Nicholas Brumm, Arthur Chu and Tract/ Fu disclaims beneficial ownership of the securities held by Quintessence Fund L.P., QVT Fund IV LP and OVT Fund V LP. The address for QVT Financial LP is 1177 Avenue of the Americas, 9th Floor, New York, New York 10036.

(15) Includes 308,425 shares held by Rapax OC Master Fund Ltd. And 341,575 shares held by Serengeti Opportunities MM L.P.

(16) We have been informed by the selling stockholder that Robert Franz, Robert MacNaughton and Ken Hoffman each share voting and dispositive power over the shares held by Credit Suisse Securities (USA) LLC. The address for Credit Suisse Securities (USA) LLC is 11 Madison Avenue, New York, New York 10010.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We have not engaged in any related party transaction since April 1, 2012 in which the amount involved exceeds the lesser of $120,000 or 1% of the average of our total assets at year end for fiscal years 2014 and 2013 and in which any of our directors, named executive officers or any holder of more than 5% of our common stock, or any member of the immediate family of any of these persons or entities controlled by any of them, had or will have a direct or indirect material interest, other than the compensation arrangements described in "Executive Compensation" and the transactions set forth below.

Conversion of Series AA Preferred Stock

In connection with the private placement, all outstanding shares of our Series AA Preferred Stock (the only previously outstanding class of preferred stock) were converted into approximately 748,722 shares of our common stock, including shares issued to related parties consisting of 289,459 shares issued to Brian McAuley and his affiliates, 153,615 shares issued to Peter Schiff and his affiliates, 36,650 shares issued to Andrew Daskalakis and his affiliates, 26,353 shares issued to John C. Sites, 5,198 shares issued to John C. Pescatore and his affiliates, 4,654 shares issued to Frank Creede and his affiliates, and 2,371 shares issued to Morgan O'Brien.

Conversion of Series AA Warrants

In connection with the private placement all outstanding warrants to purchase shares of our Series AA Preferred Stock which were previously issued in January 2011, in connection with a recapitalization and financing, were converted into 29,809 shares of our common stock (on a post reverse-split basis). These warrants had an exercise price of $26.49 per share, which was set to increase to $29.80 per share after January 6, 2015. The shares of our common stock issued pursuant to such conversion included 20,329 shares of our common stock issued to related parties, including 15,036 shares issued to Brian McAuley, 3,557 shares issued to Peter Schiff and his affiliates, 848 shares issued to John C. Sites, 383 shares issued to Andrew Daskalakis and his affiliates, 272 shares issued to Frank Creede, and 213 shares issued to Morgan O'Brien.

Private Placement

Certain officers and directors, and their affiliates purchased shares of our common stock in the private placement for a purchase price of $20.00 per share. The number of shares purchased by each officer and director is as set forth below:

Name of Officer or Director	Shares of Common Stock Purchased in Private Placement
Frank Creede	2,500
Andrew Daskalakis	20,000
Peter Schiff(1)	50,000

(1) Includes (i) 42,500 shares of common stock purchased by Northwood Ventures, LLC of which Mr. Schiff has shared and dispositive voting power and (ii) 7,500 shares of common stock purchased by Northwood Capital Partners, LLC, of which Mr. Schiff has shared and dispositive voting power.

Restricted Stock Units

On May 12, 2014, we issued 82,054 restricted stock units for shares of our common stock to certain employees and consultants of the Company, including 37,746 to certain officers as set forth below:

Name of Officer or Director	Restricted Stock Units Issued
John Pescatore	24,158
Morgan O'Brien	7,549
Frank Ceede	6,039

Outstanding Notes

We have a $3 million working capital line of credit with Brian McAuley, our Chairman of the board, of which $1,425,000 has been drawn down as of March 31, 2014. The line of credit expires June 30, 2015 and all borrowings bear interest at 10% per annum. Commencing not later than September 30, 2015, we are obligated to repay Mr. McAuley $50,000 per quarter of principal plus interest accrued for the quarter then ended until the entire principal shall have been repaid. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on this line of credit, with $1.3 million of such repayment to be made through the issuance of 65,000 shares of our common stock, valued for this purpose at $20.00 per share.

We issued a promissory note, dated September 1, 2010, as amended March 31, 2011, in the principal amount of $540,000 to Mr. McAuley. This note bears interest at 10% per annum. No payments are due until June 30, 2015, at which point the entire balance of principal and accrued interest shall be due and payable on demand of Mr. McAuley. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on this note in cash from the proceeds of the private placement.

We have issued Convertible Notes to certain employees. The Convertible Notes bear interest of 10% per annum. Upon the election of the holder, principal and accrued interest due may convert into shares of our common stock. The number of shares of common stock shall be equal to the quotient obtained by dividing the entire outstanding principal amount and accrued interest by $13.25 per share. The outstanding balance of these notes was $423,852 at March 31, 2014 and 2013, respectively. The Convertible Notes mature on June 30, 2015. In the event that the Convertible Notes have not converted into shares of common stock and our company achieves EBITDA in an amount equal to or greater than $5,000 for any quarter, within 30 days following such quarter, we agreed to use up to 20% of the EBITDA amount to pay the outstanding and unpaid principal and accrued interest to the note holders. After the Spectrum Closing, we intend to pay off the outstanding principal and accrued interest on each of the Convertible Notes in cash.

Our company issued Redeemable Notes with contingently issuable detachable warrants in the amount of $475,491 and $541,465 during fiscal year 2014 and 2013, respectively. The Redeemable Notes bear interest at 10% per annum. The principal amount plus any accrued interest is payable on June 30, 2015. In connection with the private placement the Redeemable Notes were amended on May 14, 2014 to provide that the Redeemable Notes will automatically be converted into that number of shares of our common stock equal to the sum of 140% of the outstanding principal on the Redeemable Notes plus outstanding interest divided by $20.00 per share upon the closing of our acquisition of the Spectrum Assets. If we do not successfully complete the acquisition of the Spectrum Assets, per the amended terms of the Redeemable Notes, the outstanding principal and interest on the convertible notes will remain outstanding, and we will be required to issue the holders of the convertible notes warrants to purchase an aggregate of 153,551 shares of our common stock at an exercise price of $13.25 per share. Such warrants shall only become detachable and exercisable commencing on the date on which the FCC declines to provide the approvals required for our acquisition of the Spectrum Assets and shall expire on January 1, 2018. At March 31, 2014, of the total $1,016,956 in notes payable, $796,865 were due to related parties, while of the $541,465 total notes payable at March 31, 2013, $481,465 were due to related parties. As of March 31, 2014, Brian McAuley, Andrew Daskalakis, John Sites, John Pescatore, Morgan O'Brien and Richard Rohmann and/or their respective affiliated trusts or immediately family members each hold, $465,000, $25,000, $43,000, $5,000, $3,865 and $1,000, respectively, in principal amount of the Redeemable Notes.

We believe that each of the transactions set forth above was entered into on terms as fair as those that could be obtained from unaffiliated third parties.

Other Agreements with our Management

We have entered into employment agreements with certain of our executive officers, which contain severance benefits upon termination of employment. See "Executive Officer Compensation – Employment Agreements and Severance Arrangements with our Named Executive Officers" for a description of these

agreements. Additionally, we have entered into indemnification with our officers and directors. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Certain of our officers and directors are party to an Investor Rights Agreement, as amended May 30, 2014, which entitles the parties thereto to certain registration rights with respect to the equity securities of the Company which they hold and a right of first refusal with respect to certain issuances of equity securities by the Company.

Related Party Transaction Policy

Pursuant to our code of business conduct and ethics, our executive officers, directors, and principal stockholders, including their immediate family members and affiliates, will be prohibited from entering into a related party transaction with us without the prior approval of our audit committee or our independent directors. Any request for us to enter into a transaction with an executive officer, director, principal stockholder, or any of such persons' immediate family members or affiliates, in which the amount involved exceeds the lesser of $120,000 or 1% of the average of our total assets at year end for Fiscal 2014 and Fiscal 2013, must first be presented to our audit committee for review, consideration and approval. In approving or rejecting the proposed agreement, our audit committee will consider the relevant facts and circumstances available and deemed relevant, including, but not limited, to the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products, and, if applicable, the impact on a director's independence. Our audit committee shall approve only those agreements that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as our audit committee determines in the good faith exercise of its discretion.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the rights of holders of our capital stock. This summary is not complete and is subject to and qualified in its entirety by reference to Delaware law and our amended and restated charter and bylaws filed as exhibits to the registration statement of which this prospectus forms a part. See "Available Information" for how to obtain copies of our charter and bylaws.

General

As of June 30, 2014, our authorized capital stock consists of 100,000,000 shares of common stock, par value of $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share.

Common Stock

Outstanding Shares

As of June 30, 2014, there are 11,830,290 shares of common stock issued and outstanding (which does not include the 500,000 shares of common stock issuable to Sprint in connection with the Spectrum Closing) held by approximately 173 stockholders. All of our outstanding shares of common stock are fully paid and nonassessable.

Voting

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our charter and bylaws do not provide for cumulative voting rights. Because of this absence of cumulative voting, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities.

Rights and Preferences

Holders of common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock, which we may designate and issue in the future.

Preferred Stock

Our board of directors has the authority, without further action by the stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and:

- to establish from time to time the number of shares to be included in each such series;
- to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon; and

- to increase or decrease the number of authorized shares of any such series (but not below the number of shares of such series then outstanding).

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, delay, defer or prevent our change of control and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

As of June 30, 2014, there are no shares of our preferred stock issued and outstanding.

Stock Options

As of June 30, 2014, there were outstanding options to purchase an aggregate of 1,023,591 shares of our common stock, with a weighted average exercise price of $19.96 per share, under our 2004, 2010 and 2014 Stock Option Plans. In addition, as of June 30, 2014, 234,250 shares of our common stock remain available for future stock option grants under our 2014 Stock Plan. Our 2014 Stock Plan is the successor equity incentive program to our 2004 and 2010 Stock Plans.

Warrants

As of June 30, 2014, there were (i) outstanding warrants to purchase 6,039 shares of common stock, with an exercise price of $82.79 per share, which expire on June 1, 2016 and (ii) outstanding warrants to purchase 18,797 shares of common stock, with an exercise price of $165.57 per share, which expire on August 6, 2014.

Convertible Debt

In connection with the private placement, we entered into agreements with certain holders of our outstanding debt to convert their debt into shares of our common stock at a price equal to $20.00 per share upon the Spectrum Closing, including (i) the issuance of approximately 65,000 shares of common stock at a price equal to $20.00 per share as repayment for approximately $1.3 million of our outstanding principal and interest on our working capital line and (ii) the conversion of outstanding convertible notes in the principal amount of $1,016,956 into that number of shares of common stock equal to the sum of $1,423,738 plus outstanding interest divided $20.00 per share.

Certain Provisions of Delaware Law and of our Charter and Bylaws

Delaware Law

The following summary of certain provisions of the DGCL and of our amended and restated charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to the DGCL and our amended and restated Delaware charter and bylaws. See “Available Information” for how to obtain copies of our charter and bylaws.

Anti-Takeover Provisions of Delaware Law, Our Charter and Our Bylaws

Provisions of the Delaware General Corporation Law, or DGCL, and our charter and bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to

acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares that resulted in a stockholder becoming an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by our stockholders.

Amendment

Our charter and our bylaws provide that the affirmative vote of the holders of at least sixty-six and two-thirds (66 2/3%) of our voting stock then outstanding is required to amend certain provisions relating to the number, term, election and removal of our directors, the filling of our board vacancies, stockholder notice procedures, the calling of special meetings of stockholders, and the indemnification of directors.

Size of Board and Vacancies

Our bylaws provide that the number of directors on our board of directors is fixed exclusively by our board of directors. Newly created directorships resulting from any increase in our authorized number of directors or any vacancies in the board of directors resulting from death, resignation or other cause (including removal from office by a vote of the stockholders) may be filled only by (i) a majority vote of the directors based on the total number of designated directors, though less than a quorum, or by the sole remaining director or (ii) the stockholders holding a majority of the voting power of all of the then outstanding shares of capital stock of the company authorized by law or by the charter to vote on such action at a duly called annual meeting or a duly called special meeting of stockholders (including the special election meeting discussed below). The directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders, and until their respective successors are elected, except in the case of the death, incapacity, resignation or removal of any director.

Special Stockholder Meetings

Our charter and bylaws generally provide that special meetings of our stockholders may be called only by the Chairman of the board of directors, our Chief Executive Officer or by resolution of the board of directors. Stockholders are not permitted to call a special meeting or require our board of directors to call a special meeting, except for the Special Election Meeting discussed below.

Special Election Meeting

Our bylaws require our board of directors to call a special meeting of our stockholders if a registration statement registering the resale of the shares sold in the private placement has been declared effective by the SEC and the shares have been listed for trading on a national securities exchange, (i) on a date that is the later of (x) 180 days after the filing of such registration statement or (y) 45 days after the date of the Spectrum Closing, or (ii) if our company completes its initial public offering pursuant to a registration statement prior to the date described in clause (i) above, on a date that is 60 days after the completion of such initial public offering. Such

special meeting of stockholders will occur as soon as possible following the applicable trigger date described above but in no event more than 30 days after the applicable trigger date listed above. The special election meeting shall be called solely for the purposes of: (i) considering and voting upon proposals to remove each then-serving director of the company and (ii) electing such number of directors as there are then vacancies on the board of directors, including any vacancies created by the removal of directors at the special election meeting. Nominations of individuals for election to the board of directors at the special election meeting may only be made (i) by or at the direction of the board of directors or (ii) upon receipt by the company of a written notice of any holder or holders of shares of common stock entitled to cast, or direct the casting of, at least 20% of all the votes entitled to be cast at the special election meeting. Each of Brian McAuley, Morgan O'Brien, John Pescatore, Frank Creede, Richard Rohmann, Andrew Daskalakis, Peter Schiff and John C. Sites have each agreed that, if requested by FBR Capital Markets & Co,. they will vote or not vote any and all securities of the Company held by such holders as of the date of the registration rights agreement in the same proportion as the votes casts by the holders who vote at such special meeting.

Stockholder Action by Unanimous Written Consent

Any action required or permitted to be taken by the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of record of all of the issued and outstanding capital stock of the company authorized by law or by the charter to vote on such action.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors.

No Cumulative Voting

The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our charter provides otherwise. Our charter does not provide for cumulative voting.

Undesignated Preferred Stock

The authority that will be possessed by our board of directors to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of our company through a merger, tender offer, proxy contest, or otherwise by making it more difficult or more costly to obtain control of our company. Our board of directors may issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, subject to certain exceptions, by provision of the corporation's certificate of incorporation. Our charter contains a provision eliminating the personal liability of our directors to the fullest extent permitted by the DGCL. In addition, our charter includes provisions that require us to indemnify, to the fullest extent allowable under the DGCL, our directors and officers for monetary damages for actions taken as our director or officer, or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our charter also provides that we must advance reasonable expenses to our directors and officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL.

We are also expressly authorized by the DGCL to carry directors' and officers' insurance to protect us, our directors, officers and certain employees for some liabilities. The limitation of liability and indemnification and advancements provisions in our charter and bylaws, respectively, may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, our charter provision eliminating the personal liability of our directors to the fullest extent permitted by the DGCL does not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's fiduciary duties, including the duty of care. The indemnification provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a derivative or direct suit, we pay the litigation costs of our directors and officers and the costs of settlement and damage awards against directors and officers pursuant to these indemnification and advancements provisions. There is currently no pending material litigation or proceeding against any of our directors, officers or employees for which indemnification or advancement is sought.

We expect to maintain standard policies of insurance that provide coverage (i) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (ii) to us with respect to indemnification and advancements payments that we may make to such directors and officers.

We have entered into an indemnification agreement with each of our officers and directors. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision in our charter and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Insofar as the above described indemnification provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we understand that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions, and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger, or otherwise.

Registration Rights Agreement

In connection with the private placement we completed in June 2014, we entered into a registration rights agreement with FBR Capital Markets & Co. for the benefit of the holders of shares of our common stock purchased in the private placement, a copy of which is attached as an exhibit to the registration statement of which this prospectus is a part.

Under the registration rights agreement, we have agreed, at our expense, to file with the SEC as soon as reasonably practicable following the completion of the private placement (but in no event later than 60 days after the closing date of the private placement) a shelf registration statement registering for resale the registrable shares (as defined in the registration rights agreement) plus any additional shares of common stock issued in respect thereof whether by stock dividend, stock distribution, stock split, or otherwise, and to use our commercially reasonable efforts to cause such registration to be declared effective by the SEC as soon as practicable after the initial filing. The confidential submission of the registration statement of which this

prospectus is a part satisfies this requirement. For purposes of this discussion of the registration rights agreement, we refer to this registration statement as the "resale shelf registration statement."

Pursuant to the terms of the registration rights agreement we entered into in connection with the June 2014 private placement, eour Chief Executive Officer and Chief Financial Officer each received a bonus from the company in the amount of 10% of such person's base salary during the fiscal year ending March 31, 2015 because of the confidential submission of this resale registration within the time period prescribed in the registration rights agreement. See "Executive Officer Compensation – Special Compensation in Connection with this Registration Statement."

In addition, if, prior to the date that is the later of (i) 180 days after the filing of the resale shelf registration statement and (ii) 45 days after the Spectrum Closing, the resale shelf registration statement for the resale of the registrable shares has not been declared effective by the SEC or our common stock has not been listed for trading on a national securities exchange, then the registration rights agreement and our bylaws will require that we hold a special meeting of our stockholders for the purpose of considering and voting on the removal of our directors then in office and electing the successors of any directors so removed.

We will use our commercially reasonable efforts to cause the resale shelf registration statement to become effective under the Securities Act as soon as practicable after the filing and, subject to the blackout periods described below, to continuously maintain the effectiveness of the resale shelf registration statement under the Securities Act until all shares of common stock covered by this registration statement:

- have been resold in accordance with the resale shelf registration statement;
- the date on which the shares of our common stock covered by the resale shelf registration statement have been transferred pursuant to Rule 144 (or any successor or analogous rule) under the Securities Act; and
- the date on which the shares of our common stock covered by the resale shelf registration statement have been sold to us or cease to be outstanding; or
- until the first anniversary of the effective date of the effective date of this resale shelf registration statement, provided that the registrable shares (1) have been transferred to an unrestricted CUSIP, (2) were, as of the effective date of the resale shelf registration statement listed for trading on the New York Stock Exchange, the NASDAQ Global Market or a similar national securities exchange, (3) were qualified under the applicable state securities or "blue sky" laws of all 50 states, and (4) can be sold under Rule 144 without limitation as to manner of sale or volume.

If we choose to file a registration statement for an initial public offering of our common stock (an "IPO registration statement"), all holders of the registrable shares and each of their respective direct and indirect transferees may elect to participate in the registration in order to resell their shares in our initial public offering, subject to:

- execution of a customary underwriting agreement; completion and execution of any questionnaires, powers of attorney, indemnities, custody agreements, securities escrow agreements and other documents, including opinions of counsel, reasonably required under the terms of such underwriting agreement; and provision to us of such information as we may reasonably request in writing for inclusion in the IPO registration statement;
- compliance with the registration rights agreement; and
- cutback rights on the part of the underwriters.

If we file an IPO registration statement before the effective date of the resale shelf registration statement and the company has used or is issuing commercially reasonable efforts to pursue the completion of such initial

public offering, our obligation to cause the resale shelf registration statement to be declared effective may be deferred until the 60th day following the closing date of our initial public offering, and if we satisfy this requirement, we will not be required to hold a special election meeting as described above.

To the extent reasonably requested by the company or an underwriter of securities of the company, upon an initial public offering of our common stock, the holders of our common stock purchased in the private placement, subject to certain exceptions, will not be able to, directly or indirectly, sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell (including, without limitation any short sale), grant any option or otherwise transfer or dispose of any shares of common stock of the Company or any securities convertible into or exchangeable or exercisable for shares of common stock then owned by such holder for a period of 180 days following the effective date of the IPO registration statement, provided that this restriction period will only continue for 60 days for such holders (other than our officers, directors, managers or employees) who do not elect, pursuant to the registration rights agreement, to include registrable shares in the IPO registration statement.

Notwithstanding the foregoing, we will be permitted, under limited circumstances, to suspend the use, from time to time, of the prospectus that is part of the resale shelf registration statement (and therefore suspend sales under the resale shelf registration statement) for certain periods, referred to as "blackout periods," if, among other things, any of the following occurs:

- the representative of the underwriters of an underwritten offering of primary shares by us has advised us that the sale of shares of our common stock under the resale shelf registration statement would have a material adverse effect on such underwritten offering of primary shares;
- a majority of the independent members of our board of directors determines in good faith that: (1) the offer or sale of any shares of our common stock under the resale shelf registration statement would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, merger, tender offer, business combination, corporate reorganization or other significant transaction involving us; (2) after the advice of counsel, the sale of the shares covered by the resale shelf registration statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law; and (3) either (x) we have a bona fide business purpose for preserving the confidentiality of the proposed transaction, (y) disclosure would have a material adverse effect on us or our ability to consummate the proposed transaction, or (z) the proposed transaction renders us unable to comply with SEC requirements, in each case under circumstances that would make it impracticable or inadvisable to cause the resale shelf registration statement (or such filings) to become effective or promptly amend or supplement the resale shelf registration statement, as applicable; or
- a majority of the independent members of our board of directors determines in good faith, after the advice of counsel, that we are required by law, rule or regulation, or that it is in our best interests, to supplement the resale shelf registration statement or file a post-effective amendment to the resale shelf registration statement in order to incorporate information into the resale shelf registration statement for the purpose of: (1) including in the resale shelf registration statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the resale shelf registration statement any facts or events arising after the effective date of the resale shelf registration statement (or of the most-recent post-effective amendment) that, individually or in the aggregate, represent a fundamental change in the information set forth in the prospectus; or (3) including in the prospectus included in the resale shelf registration statement any material information with respect to the plan of distribution not disclosed in the resale shelf registration statement or any material change to such information.

The cumulative blackout periods may not exceed an aggregate of 90 days in any rolling 12-month period commencing on the completion of the offering or more than 60 days in any rolling 90-day period.

In addition to this limited ability to suspend use of the resale shelf registration statement, until we are eligible to incorporate by reference into the resale shelf registration statement our periodic and current reports that will be filed after the effectiveness of the resale shelf registration statement, we will be required to amend or supplement the resale shelf registration statement to include our quarterly and annual financial information and other developments material to us. Therefore, sales under the resale shelf registration statement may be suspended at certain times until the amendment or supplement, as the case may be, is filed and effective.

A holder that sells our common stock pursuant to the resale shelf registration statement or as a selling stockholder pursuant to an underwritten public offering generally will be required to be named as a selling stockholder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder (including certain indemnification rights and obligations). In addition, each holder of our common stock may be required to deliver information to be used in connection with the resale shelf registration statement in order to have such holder's shares of our common stock included in the resale shelf registration statement.

Pursuant to FINRA Rule 5110(g)(1), holders of our common stock who purchased shares in the private placement and are affiliated with members of FINRA may be required to refrain, during the period commencing on the effective date of the resale shelf registration statement or the IPO registration statement, and ending on the date that is 180 days after such effective date, from selling, transferring, assigning, pledging or hypothecating or otherwise entering into any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such holder's shares of our common stock through the FINRA member with which such holder is affiliated.

Each common stock certificate may contain a legend to the effect that the holder thereof, by its acceptance thereof, will be deemed to have agreed to be bound by the provisions of the registration rights agreement. In that regard, each holder will be deemed to have agreed that, upon receipt of notice of occurrence of any event which makes a statement in the prospectus which is part of the resale shelf registration statement untrue in any material respect or which requires the making of any changes in such prospectus in order to make the statements therein not misleading, or of certain other events specified in the registration rights agreement, such holder will suspend the sale of our common stock pursuant to such prospectus until we have amended or supplemented such prospectus to correct such misstatement or omission and have furnished copies of such amended or supplemented prospectus to such holder or we have given notice that the sale of the common stock may be resumed.

Although the registration statement of which this prospectus is a part is being filed in accordance with the provisions of the registration rights agreement, there can be no assurance that the resale shelf registration statement will become effective.

We have agreed to bear certain expenses incident to our registration obligations upon exercise of these registration rights, including the payment of federal securities law and state "blue sky" registration fees, except that we will not bear any brokers' or underwriters' discounts and commissions or transfer taxes relating to sales of shares of our common stock. We have agreed to indemnify each selling stockholder for certain violations of federal or state securities laws in connection with any registration statement or prospectus in which such selling stockholder sells its shares of our common stock pursuant to these registration rights. Each selling stockholder has in turn agreed to indemnify us for federal or state securities law violations that occur in reliance upon written information it provides for us in the registration statement or any prospectus.

In connection with our filing of the resale shelf registration statement, we have agreed to use our commercially reasonable efforts (including, without limitation, seeking to cure in our listing application any deficiencies cited by the exchange or market) to list our common stock on the New York Stock Exchange or the NASDAQ Stock Market.

We will also provide, upon request, to each holder of the registrable shares copies of the prospectus that is a part of the resale shelf registration statement, notify such holder when the resale shelf registration statement has become effective, and take certain other actions as are required to permit unrestricted resales. Purchasers of shares of our common stock in the private placement may be deemed "underwriters" as that term is defined in the Securities Act in connection with the resale of such shares. Underwriters have statutory responsibilities and liabilities in respect of the accuracy of any prospectus used by them.

Generally, the prospectus delivery requirement can be satisfied by disclosing to a selling broker the existence of the requirement to sell the shares in accordance with the resale shelf registration statement and making arrangements with such broker to deliver a current prospectus in connection with any such sale. Upon receipt of a written request therefor, we should provide a reasonable number of current prospectuses to each investor.

Pursuant to the registration rights agreement, the Company has agreed to not agree to allow any holder or prospective holder of securities of the Company (other than the holders who are party to the registration rights agreement) to include any such securities with the registration statement of which this prospectus is a part or any other registration statement that could be declared effective prior to, or within 180 days of the effective date of, the registration statement of which this prospectus is a part.

The preceding summary of certain provisions of the registration rights agreement is not intended to be complete, and is subject to, and qualified in its entirety by reference to, all of the provisions of the registration rights agreement and you should read this summary together with the complete text of the registration rights agreement. A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part.

Lock-Up Periods

In connection with the private placement, we, along with our directors and executive management team who hold an aggregate of 770,709 shares, have agreed that for a period of 180 days after the date of this prospectus, subject to specified exceptions, we or they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock. Upon expiration of the respective "lock-up" periods, certain of our stockholders may have the right to require us to register their shares under the Securities Act.

Additional Registration Rights

In addition to the selling stockholders listed in this prospectus, the holders of 778,531 shares of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act, subject to their agreement to waive their rights to include their shares in this prospectus. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of the registration statement of which this prospectus is a part. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock. See "Description of Capital Stock – Registration Rights Agreement."

Redemption of Shares Issued in the Private Placement

Because our acquisition of the Spectrum Assets is essential to our ability to provide our PTT dispatch services and the value of an investment in our common stock, in connection with the private placement, we established a Delaware statutory trust and placed approximately 96% of the proceeds from the private placement, net of any initial purchaser's/ placement agent's discount or placement fee, in the trust. The trust is governed by a trust agreement, under which Wilmington Trust, National Association serves as trustee. If we believe that we may be unable to complete the acquisition of the Spectrum Assets before November 7, 2014, we have the right to

ask the holders of a majority of the shares of common stock issued in the private placement to approve an extension of time to complete the acquisition. If we are unable to complete the acquisition of the Spectrum Assets prior to such date, subject to the company requesting in writing an extension from holders of a majority of the shares of common stock originally issued in the private placement and such extension being approved prior to November 7, 2014 , the shares of common stock originally issued in the private placement will be redeemed at a redemption price equal to approximately 96% of the gross proceeds from the private placement, or approximately $19.20 per share.

Stock Exchange Listing

We intend to apply (assuming we meet all other listing requirements) to list our common stock on the NYSE MKT under the symbol “PDVI” upon our becoming a reporting entity under Section 15(d) of the Exchange Act.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS

The following is a summary of the material U.S. federal income tax consequences to a Non-United States Holder (as defined below) of the purchase, ownership and disposition of our common stock as of the date hereof. Except where noted, this summary deals only with common stock that is held as a capital asset.

A "Non-United States Holder" means a person (other than a partnership) that is not for U.S. federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income and estate taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to Non-United States Holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws (including if you are a U.S. expatriate, "controlled foreign corporation," "passive foreign investment company" or a partnership or other pass-through entity for U.S. federal income tax purposes). We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this summary.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should consult your tax advisors.

If you are considering the purchase of our common stock, you should consult your own tax advisors concerning the particular U.S. federal income and estate tax consequences to you of the ownership of the common stock, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

* * * *

EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT A TAX ADVISOR REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN INCOME, ESTATE AND OTHER TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK.

Distributions on Common Stock

If we make cash or other property distributions on shares of our common stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's adjusted tax basis in the common stock, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a Non-United States Holder's tax basis in its shares will be

treated as gain realized on the sale or other disposition of the common stock and will be treated as described under "Sale, Exchange, or Other Taxable Disposition of Common Stock" below.

Except as described below, if you are a Non-United States Holder of common stock, dividends paid to you are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished us with:

- a valid Internal Revenue Service ("IRS") Form W-8BEN, Form W-8BEN-E or other applicable form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments, or
- in the case of payments made to certain foreign intermediaries, other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations. Special certification and other requirements apply to certain Non-United States Holders that are pass-through entities rather than corporations or individuals.

If you are eligible for a reduced rate of United States withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by timely filing a refund claim with the IRS.

If dividends paid to you are "effectively connected" with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment maintained in the United States, we generally are not required to withhold tax from the dividends, provided that you have furnished to us a valid IRS Form W-8ECI or other applicable form upon which you represent, under penalties of perjury, that:

- you are a non-United States person, and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

"Effectively connected" dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations.

If you are a corporate Non-United States Holder, "effectively connected" dividends that you receive may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Sale, Exchange, or Other Taxable Disposition of Common Stock

Subject to the discussion below under the section titled "Additional Withholding and Information Reporting Requirements," in general, a Non-United States Holder will not be subject to U.S. federal income tax or withholding tax on gain recognized on a sale, exchange or other taxable disposition of a share of our common stock, unless:

- the gain is effectively connected with a trade or business of the Non-United States Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment);
- the Non-United States Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets certain other conditions; or
- we are or have been a "United States real property holding corporation," as defined in the Code (a "USRPHC"), at any time within the shorter of the five-year period preceding the disposition and the Non-United States Holder's holding period in the share of our common stock and either our common

stock was not regularly traded on an established securities market at any time during the calendar year in which the disposition occurs, or the Non-United States Holder owns or owned (actually or constructively) more than five percent of the total fair market value of shares of our common stock at any time during the five-year period ending on the date of disposition.

We believe we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property relative to the fair market value of other business assets, there can be no assurance that we will not become a USRPHC in the future.

If a Non-United States Holder is engaged in a trade or business in the United States and gain recognized by the Non-United States Holder on a sale or other disposition of our common stock is effectively connected with the conduct of such trade or business, the Non-United States Holder generally will be subject to regular United States income tax as if the Non-United States Holder were a United States person, subject to an applicable income tax treaty providing otherwise. Additionally, a Non-United States corporation may also, under certain circumstances, be subject to an additional "branch profits tax" imposed at a rate of 30% (or, if applicable, a lower income tax treaty rate). Non-United States Holders whose gain from dispositions of our common stock may be effectively connected with the conduct of a trade or business in the United States are urged to consult their tax advisors with respect to the U.S. tax consequences of the purchase, ownership and disposition of our common stock.

An individual who is subject to U.S. federal income tax because such individual was present in the United States for 183 days or more in the taxable year of the taxable disposition of our common stock will be subject to a flat 30% tax on the gain derived from such disposition, which may be offset by U.S. source capital loss. If a Non-United States Holder is eligible for the benefits of a tax treaty between the United States and its country of residence, any gain described in the second bullet above will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to tax if such gain is attributable to a permanent establishment maintained by the Non-United States Holder in the United States.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS and to each Non-United States Holder certain information including the Non-United States Holder's name, address and taxpayer identification number, the aggregate amount of distributions on our common stock paid to that Non-United States Holder during the calendar year and the amount of tax withheld, if any. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the holder resides under the provisions of an applicable income tax treaty or other agreement.

Backup withholding is imposed on dividends and certain other types of payments to certain United States persons (currently at a rate of 28%). In general, backup withholding will not apply to payments of dividends on common stock or proceeds from the sale of common stock payable to a Non-United States Holder if the certification described above under "Distributions on Common Stock" is duly provided by such Non-United States Holder or the Non-United States Holder otherwise establishes an exemption, provided that the payor does not have actual knowledge or reason to know that the Non-United States Holder is a United States person or that the conditions of any claimed exemption are not satisfied. Certain information reporting may still apply to distributions even if an exemption from backup withholding is established.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules from a payment to a Non-United States Holder will be allowed as a refund or a credit against such Non-United States Holder's United States federal income tax liability, provided that the requisite procedures are followed.

Non-United States Holders are urged to consult their tax advisors regarding their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding.

Additional Withholding and Information Reporting Requirements

A 30% United States federal withholding tax may apply to any dividends paid after June 30, 2014, and the gross proceeds from a disposition of our common stock occurring after December 31, 2016, in each case paid to (i) a "foreign financial institution" (as specifically defined in the legislation), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose its United States "account" holders (as specifically defined in the legislation) and meets certain other specified requirements or (ii) a non-financial foreign entity, whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial United States owners or provides the name, address and taxpayer identification number of each such substantial United States owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. You should consult your own tax advisor regarding this legislation and whether it may be relevant to your ownership and disposition of our common stock.

Prospective investors should consult their tax advisors regarding the possible impact of these rules on their investment in our common stock, and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, NON-U.S. INCOME AND OTHER TAX LAWS) OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK. PROSPECTIVE INVESTORS SHOULD NOT CONSIDER THE CONTENTS OF THIS SUMMARY AS LEGAL OR TAX ADVICE.

THE TAX DISCUSSION SET FORTH ABOVE IS FOR GENERAL INFORMATION ONLY. THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES MAY NOT BE THE SAME FOR ALL POTENTIAL INVESTORS. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES.

SHARES ELIGIBLE FOR FUTURE SALE

As of June 30, 2014, we had 11,830,290 shares of common stock outstanding (which does not include the 500,000 shares of common stock issuable to Sprint in connection with the Spectrum Closing). We have filed a registration statement, of which this prospectus is a part, in respect of the 10,925,000 shares being offered by the selling stockholders named herein. These shares may not be sold pursuant to this prospectus until the registration statement is declared effective. All of the 10,925,000 shares of our common stock sold by the selling stockholders pursuant to the registration statement of which this prospectus is a part will be freely tradable without restriction or further registration under the Securities Act, unless such shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act, which will be subject to the resale limitations of Rule 144.

The remaining 905,290 outstanding shares of our common stock will be deemed to be "restricted securities" as that term is defined in Rule 144. Subject to certain contractual restrictions, including the lock-up agreed to in the Registration Rights Agreement, holders of restricted shares will be entitled to sell those shares in the public market if and when those shares are registered or if they qualify for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act.

Prior to the registration statement of which this prospectus is a part, there has been no established public market for our common stock. No assurance can be given as to the likelihood that an active trading market for our common stock will develop, the liquidity of any such market, the ability of our stockholders to sell their shares or the prices that our stockholders may obtain for any of their shares. Further, we cannot predict the effect, if any, that sales of shares or availability of any shares for sale will have on the market price of our common stock prevailing from time to time. Issuances or sales of substantial amounts of our common stock, or the perception that such issuances or sales could occur, could cause the market price of our common stock to decline significantly and make it more difficult for us to raise additional capital through a future sale of securities.

Rule 144

In general, under Rule 144, any person who is not our affiliate and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not an affiliate of ours and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available. A person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, or 118,303 shares as of June 30, 2014; and
- the average weekly trading volume of our common stock on during the four calendar weeks preceding the filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act, any of our stockholders who purchased shares from us in connection with a qualified compensatory stock plan or other written agreement before we became subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, is

eligible to resell those shares in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirements of Rule 144, and a non-affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirements of Rule 144 and without regard to the volume of such sales or the availability of public information about the issuer.

Registration of Shares Issued Pursuant to Stock Plans

In addition to the registration statement of which this prospectus is a part, we intend to file registration statements under the Securities Act to register shares to be issued pursuant to our stock plans. As a result, any shares issued or options or rights exercised under our 2014 Stock Plan or our prior stock plans, or any other benefit plan we adopt after the effectiveness of the registration statements will also be freely tradable in the public market, subject to the market stand-off and lock-up agreements discussed in this prospectus. However, such shares held by affiliates will still be subject to the volume limitation, manner of sale, notice, and public information requirements of Rule 144.

As of June 30, 2014, there were outstanding options to purchase an aggregate of 1,023,591 shares of our common stock at a weighted average exercise price of $19.96 per share, of which 45,683 shares are fully-vested as of such date.

Lock-Up Periods

We, along with our directors and executive management team who hold an aggregate of 770,709 shares, have agreed that for a period of 180 days after the date of this prospectus, subject to specified exceptions, we or they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock. Upon expiration of the respective “lock-up” periods, certain of our stockholders may have the right to require us to register their shares under the Securities Act.

Registration Rights

For the registration rights held by the selling stockholders listed in this prospectus see “Description of Capital Stock – Registration Rights Agreement.”

In addition to the selling stockholders listed in this prospectus, the holders of 778,531 shares of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act, subject to their agreement to waive their rights to include their shares in this prospectus. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of the registration statement of which this prospectus is a part. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock. Registration Rights Agreement

SELLING STOCKHOLDERS

This prospectus covers shares of our common stock sold in the private placement. Some of the shares sold in the private placement were purchased by FBR Capital Markets & Co., or FBR, as initial purchaser, and resold by it to "qualified institutional buyers," as defined in Rule 144A under the Securities Act, and to certain persons outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act, in each case pursuant to an exemption from registration under the Securities Act. The remaining shares sold in the private placement were sold directly to "accredited investors" as defined in Rule 501(a) under the Securities Act pursuant to an exemption from registration under the Securities Act. FBR acted as sole placement agent in the private placements. See "Summary – Private Placement."

When we refer to the selling stockholders in this prospectus, we mean those persons listed in the table below, as well as the permitted transferees, pledgees, donees, assignees, successors and others who later come to hold any of the selling stockholders' interests other than through a public sale.

The selling stockholders may from time to time offer and sell pursuant to this prospectus any or all of the shares of common stock set forth in the following table. There is no requirement for the selling stockholders to sell their shares, and we do not know when, or if, or in what amount the selling stockholders may offer the securities for sale pursuant to this prospectus.

The table below has been prepared based upon the information furnished to us by the selling stockholders as of July 30, 2014. The selling stockholders identified below may have sold, transferred or otherwise disposed of some or all of their shares since the date on which the information in the following table is presented in transactions exempt from or not subject to the registration requirements of the Securities Act. Information concerning the selling stockholders may change from time to time and, if necessary, we will supplement this prospectus accordingly. We cannot give an estimate as to whether the selling stockholders will in fact sell any or all of their shares of common stock.

To our knowledge and except as noted below, none of the selling stockholders has, or within the past three years has had, any material relationship with us or any of our affiliates.

	Beneficial ownership prior to registration		Shares registered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after registration assuming all shares are sold	
Selling Stockholders	Shares	Percentage of class		Shares	Percentage of class
FIE II LLC (PIMCO)(1)	1,500,000	12.68%	1,500,000	—	—
Cerberus Capital Management, L.P.(2)	1,368,500	11.57%	1,368,500	—	—
Great American(3)	1,050,000	8.88%	1,050,000	—	—
Claren Road(4)	975,000	8.24%	975,000	—	—
QVT Financial LP(5)	900,000	7.61%	900,000	—	—
Credit Suisse Securities (USA) LLC(6)	600,375	5.07%	600,375	—	—
Standard General LP(7)	500,000	4.23%	500,000	—	—
Peter Schiff(8)	214,329	1.81%	49,998	164,331	1.39%
Waterstone Quarry Master Fund, Ltd.(9)	127,500	1.08%	127,500	—	—
Riva Ridge Master Fund, LTD(10)	122,500	1.04%	122,500	—	—
Moore Capital Management (11)	100,000	*	100,000	—	—
Clearline Capital Management, LP(11)	100,000	*	100,000	—	—
Jon D and Linda W Gruber Trust(13)	92,500	*	92,500	—	—
Archer Capital Management, LP(14)	75,000	*	75,000	—	—
Telemetry Securities LLC(15)	75,000	*	75,000	—	—

Selling Stockholders	Beneficial ownership prior to registration		Shares registered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after registration assuming all shares are sold	
	Shares	Percentage of class		Shares	Percentage of class
Andrew Daskalakis(16)	59,778	*	20,000	39,779	*
CM Eagle, LLC(17)	50,000	*	50,000	—	—
Calm Waters Partnership(18)	50,000	*	50,000	—	—
HRS Investment Holdings LLC(19)	40,000	*	40,000	—	—
Frank J. Creede(20)	36,926	*	2,496	34,431	*
Harvest 2004 LLC(21)	20,000	*	20,000	—	—
Other Selling Stockholders (as a group)(22)	101,000	*	95,000	—	—

* Less than one percent

Beneficial ownership of shares and percentage ownership are determined in accordance with the SEC's rules. In calculating the number of shares beneficially owned by an individual or entity and the percentage ownership of that individual or entity, shares underlying options, warrants or restricted stock units held by that individual or entity that are either currently exercisable or exercisable within 60 days from the date of this prospectus are deemed outstanding. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other individual or entity. Unless otherwise indicated and subject to community property laws where applicable, the individuals and entities named in the table above have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. We have based our calculations of the percentage of beneficial ownership on 11,830,290 shares of common stock outstanding (which does not include the 500,000 shares of common stock issuable to Sprint in connection with the Spectrum Closing)

(1) PIMCO BRAVO Fund II, L.P. is the sole member of FIE II LLC. PIMCO GP XII, LLC is the sole general partner of PIMCO BRAVO Fund II, L.P. Pacific Investment Management Company LLC is the sole manager ofPIMCO GP XII, LLC., and is ulimately controlled by Allianz SE, which is a publicly held company in Germany.

(2) Includes (i) 1,053,766 shares of common stock held by Cerberus Institutional Partners V, LP, (ii) 222,821 shares of common stock held by Cerberus International II Master Fund, LP, and (iii) 91,913 shares of common stock held by Cerberus Partners II, L.P. We have been informed by the selling stockholder that Stephen Feinberg, through one or more intermediaries, exercises sole voting and dispositive power over the shares held by Cerberus Institutional Partners V, L.P., Cerberus International II Master Fund, L.P. and Cerberus Partners II, L.P.

(3) Includes (i) 650,000 shares of common stock held by Great American Life Insurance Company and (ii) 400,000 shares of common stock held by Great American Life Insurance Company. Each of Great American Life Insurance Company and Great American Insurance Company is a wholly owned subsidiary of American Financial Group, Inc.

(4) Includes (i) 522,500 shares of common stock held by Claren Road Credit Master Fund, Ltd. and (ii) 452,500 shares of common stock held by Claren Road Credit Opportunities Master Fund, Ltd. Claren Road Asset Management, LLC serves as investment manager for each of Claren Road Credit Opportunities Master Fund, Ltd. And Claren Road Credit Master Fund, Ltd.. We have been informed by the selling stockholder that each of Brian Riano, Sean Fahey, John Eckerson and Albert Marino share voting and dispositive power over the shares held by the selling stockholder.

(5) Includes (i) 700,535 shares of common stock held by QVT Fund V LP, (ii) 116,815 shares of common stock held by QVT Fund IV LP, and (iii) 82,650 shares of common stock held by Quintessence Fund LP. Each of QVT Fund IV LP, OVT Fund V LP and Quintessence Fund L.P. are managed by their general partner, QVT Financial GP LLC. QVT Financial LP is the investment manager of each Quintessence Fund L.P., QVT Fund IV LP and QVT Fund V LP and shares voting and investment control over the securities held by Quintessence Fund L.P., QVT Fund IV LP and QVT Fund V LP. QVT Financial GP LLC is the general partner of QVT Financial LP and as such has complete discretion in the management and control of the

business affairs of QVT Financial LP. We have been advised by the selling stockholder that the managing members of QVT Financial GP LLC are Daniel Gold, Nicholas Brumm, Arthur Chu and Tracy Fu and that each of Daniel Gold, Nicholas Brumm, Arthur Chu and Tract/ Fu disclaims beneficial ownership of the securities held by Quintessence Fund L.P., QVT Fund IV LP and OVT Fund V LP.

(6) We have been informed by the selling stockholder that Robert Franz, Robert MacNaughton and Ken Hoffman each share voting and dispositive power over the shares held by Credit Suisse Securities (USA) LLC.

(7) Includes (i) 382,579 shares held by Standard General Master Fund LP and (ii) 117,421 shares held by Standard General Ltd. The investment manager of Standard General Master Fund L.P. and Standard General Ltd. is Standard General L.P., the general partner of which is Standard General Holdings L.P. The general partner of Standard General Holdings L.P. is Standard General S Corp. We have been advised by the selling stockholder that Soohyung Kim has voting and dispositive power over these entities.

(8) Includes (i) 32,941 shares of common stock, a warrant to purchase 1,235 shares of common stock at an exercise price of $165.57 per share, held by Northwood Capital Partners, LLC, of which Mr. Schiff has shared and dispositive voting power, (ii) 164,057 shares of common stock, a warrant to purchase 5,902 shares of common stock at an exercise price of $165.67 per share, held by Northwood Ventures, LLC of which Mr. Schiff has shared and dispositive voting power, (iii) 5,097 shares of common stock held by SK Partners, of which Mr. Schiff has shared and dispositive voting power and (iv) 5,097 shares of common stock held by Southfield Communications, of which Mr. Schiff has shared and dispositive voting power.

(9) We have been informed by the selling stockholder that Kevin Cavanaugh holds voting and dispositive power over the shares.

(10) The investment manager of Riva Ridge Master Fund , Ltd. is Riva Ridge Capital Management LP. We have been advised by the selling stockholder that each of Stephen Golden and James Shim share voting and dispositive power as managing members of the general partner of Riva Ridge Capital Management LP.

(11) Includes 100,000 shares of common stock held by MMF Moore ET Investments, LP, of which Moore Capital Management, LP is the discretionary investment manager and holds voting and dispositive power over the shares. Moore Capital Advisors, LLC is the general partner of Moore Capital Management, LP and is controlled by Louis M. Bacon.

(12) Includes 45,592 shares of common stock held by Clearline Capital LP and 54,408 shares of common stock held by Clearline Capital Partners LP. We have been informed by the selling stockholder that Marc Majzner holds voting and dispositive power over the shares.

(13) We have been informed by the selling stockholder that Jon D. Gruber holds voting and dispositive power over the shares held by the Jon D. and Linda W. Gruber Trust.

(14) Includes (i) 67,650 shares of common stock held by Archer Capital Master Fund, L.P. and (ii) 7,350 shares held by Hastings Master Fund, L.P., for each of which Archer Capital Management, L.P. is the investment manager, of which Canton Holdings, L.L.C. is the general partner. We have been advised by the selling stockholder that each of Joshua A Lobel and Eric J. Eddin, as the principals of Canton Holdings, L.L.C., share voting and dispositive power with respect to the shares held by the selling stockholder.

(15) Telemetry Securities LLC is controlled by Telemetry Fund I LP, which is controlled by Telemtry Advisor s LLC. We have been informed by the selling stockholder that each of Andrew Schorr and Daniel Schorr share voting and dispositive power over the shares held by Telemetry Securities LLC.

(16) Includes (i) 20,000 shares of common stock held by Andrew Daskalakis and (ii) 37,033 shares of common stock, and a warrant to purchase 2,745 shares of common stock at an exercise price of $165.57 per share, held by AMK International, Inc. of which Mr. Daskalakis has shared and dispositive voting power.

(17) We have been advised by the selling stockholder that Thomas P. Wilcox has voting and dispositive power over the shares held by CM Eagle, LLC.

(18) We have been advised by the selling stockholder that Richard S. Strong, as Managing Partner, has voting and dispositive power over the shares held by Calm Waters Partnership.

(19) HRS Investment Holdings LLC is managed by HRS Management, LLC. We have been informed by the selling stockholder that Joshua Harris holds voting and dispositive power over the shares held by HRS Investment Holdings LLC.

(20) Includes options to purchase 6,491 shares of common stock at a weighted-exercise price of $21.71 per share and 14,548 restricted stock units, which are fully vested and which will settle on the earlier of (i) the termination of Mr. Creede's employment with the Company and (ii) May 12, 2017. Excludes an option to purchase 70,000 shares of common stock at an exercise price of $20.00, of which 25% of the options vest on the first anniversary of the closing of the private placement and the remainder of the options vest in three equal annual installments thereafter.
(21) We have been informed by the selling stockholder that Richard Horstmann holds voting and dispositive power over the shares.
(22) Represents shares held by 17 selling stockholders not listed above who, as a group, own less than 1.0% of our outstanding common stock prior to this offering.

PLAN OF DISTRIBUTION

General

We are registering the shares of common stock covered by this prospectus to permit the selling stockholders to conduct public secondary trading of these shares from time to time after the date of this prospectus. We will not receive any of the proceeds of the sale of the shares offered by this prospectus. The aggregate proceeds to the selling stockholders from the sale of the shares will be the purchase price of the shares less any discounts and commissions. Each selling stockholder reserves the right to accept and, together with their respective agents, to reject, any proposed purchases of shares to be made directly or through agents.

The selling stockholders and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock offered by this prospectus on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The prices at which the selling stockholders may sell the shares of common stock may be determined by the prevailing market price for the shares at the time of sale, may be different than such prevailing market prices or may be determined through negotiated transactions with third parties. The selling stockholders may use any one or more of the following methods when selling the shares of common stock offered by this prospectus:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- any other method permitted pursuant to applicable law; or
- under Rule 144, Rule 144A or Regulation S under the Securities Act, if available, rather than under this prospectus.

We intend to apply to have our common stock listed on the NYSE MKT under the symbol “PDVI”. However, we can give no assurances that our common stock will be listed and as to the development of an active trading market for our common stock or the liquidity of any such market.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2121; and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales

of our common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge our common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts. If a selling stockholder is deemed to be an underwriter, the selling stockholder may be subject to certain statutory liabilities including, but not limited to Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act. Selling stockholders who are deemed underwriters within the meaning of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. The SEC staff is of a view that selling stockholders who are registered broker-dealers or affiliates of registered broker-dealers may be underwriters under the Securities Act. In compliance with FINRA guidelines, the maximum commission or discount to be received by an FINRA member or independent broker-dealer may not exceed 8% for the sale of any securities registered hereunder. We will not pay any compensation or give any discounts or commissions to any underwriter in connection with the securities being offered by this prospectus. The selling stockholders have advised us that they have not entered into any written or oral agreements, understandings or arrangements with any underwriter or broker-dealer regarding the sale of the resale shares. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the selling stockholders.

We are required to pay certain fees and expenses incurred by us incident to the registration of the shares. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act. Each selling stockholder has in turn agreed to indemnify us for certain specified liabilities. See "Description of Capital Stock – Registration Rights Agreement"

In order to comply with the securities laws of some states, if applicable, the shares of common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the selling stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the common stock by the selling stockholders or any other person. The anti-manipulation rules under the Exchange Act may apply to sales of common stock in the market and to the activities of the selling stockholders and their affiliates. Regulation M may restrict the ability of any person engaged in the distribution of the common stock to engage in market-making activities with respect to the particular shares of common stock being distributed for a period of up to five business days before the distribution. These restrictions may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock. We will make copies of this prospectus available to the selling stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale.

In accordance with FINRA Rule 5110(g)(1), FBR and any persons related to FBR who purchased or otherwise acquired shares (i) in the private placement (ii) subsequent to the initial filing of the registration statement of which this prospectus is a part and deemed to be underwriting compensation by FINRA, and/or

(iii) that are excluded from underwriting compensation pursuant to FINRA Rule 5110(d)(5), will agree not to sell, transfer, assign, pledge, hypothecate or subject to any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such shares, for the 180-day period prescribed by FINRA Rule 5110(g)(1), except as otherwise provided in FINRA Rule 5110(g)(2).

CUSIP Number

The Committee on Uniform Securities Identification Procedures assigns a unique number, known as a CUSIP number, to a class or issue of securities in which all of the securities have similar rights. Upon issuance, the shares of common stock covered by this prospectus included shares with three different CUSIP numbers, depending upon whether the sale of the shares to the selling stockholder was conducted (a) by us under Rule 506 of Regulation D, (b) by FBR, as the initial purchaser, under Rule 144A or (c) by the initial purchaser under Regulation S. Prior to any registered resale, all of the securities covered by this prospectus are restricted securities under Rule 144 and their designated CUSIP numbers refer to such restricted status.

Any sales of shares of our common stock by means of this prospectus must be settled with shares of common stock bearing our general (not necessarily restricted) common stock CUSIP number. A selling stockholder named in this prospectus may obtain shares bearing our general common stock CUSIP number for settlement purposes by presenting the shares to be sold (with a restricted CUSIP), together with a certificate of registered sale, to our transfer agent, Continental Stock Transfer & Trust Co. The form of certificate of registered sale is available from us upon request. The process of obtaining such shares might take a number of business days. SEC rules generally require trades in the secondary market to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, a selling stockholder who holds securities with a restricted CUSIP at the time of the trade might wish to specify an alternate settlement cycle at the time of any such trade to provide sufficient time to obtain the shares with an unrestricted CUSIP in order to prevent a failed settlement.

LEGAL MATTERS

The validity of our common stock and certain legal matters will be passed upon for us by DLA Piper LLP (US), San Diego, California. Certain legal matters will be passed upon for the selling stockholders by Sidley Austin LLP, Chicago, Illinois.

EXPERTS

PKF O'Connor Davies, a division of O'Connor Davies, LLP, independent registered public accounting firm, has audited our financial statements for each of the two year periods ended March 31, 2013 and 2014, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on PKF O'Connor Davies' report, given on their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock being offered by the selling stockholders named in this prospectus. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Where we make statements in this prospectus as to the contents of any contract or any other document, for the complete text of that document, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our Securities and Exchange Commission filings, including the registration statement of which this prospectus is a part, over the Internet at the Securities and Exchange Commission's website at www.sec.gov. You may also read and copy any document we file with the Securities and Exchange Commission at its public reference facilities at 100 F Street, NE, Washington, DC 20549. You may also obtain copies of the document at prescribed rates by writing to the Public Reference Section of the Securities and Exchange Commission at 100 F Street, NE, Washington, DC 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Upon the effective date of the registration statement of which this prospectus forms a part, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and we will file reports, proxy statements and other information with the Securities and Exchange Commission. We also intend to furnish our stockholders with annual reports containing our financial statements audited by an independent public accounting firm and quarterly reports containing our unaudited financial information. We maintain a website at www.pdvcorp.com. The reference to our web address does not constitute incorporation by reference of the information contained at this site. Upon completion of this offering, you may access our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the Securities and Exchange Commission free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission.

INDEX TO FINANCIAL STATEMENTS

For the Years ended March 31, 2014 and 2013

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Pacific DataVision, Inc.

We have audited the accompanying balance sheets of Pacific DataVision, Inc. as of March 31, 2014 and 2013, and the related statements of operations, stockholders' deficiency, and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the company's internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific DataVision, Inc. as of March 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ PKF O'Connor Davies
a division of O'Connor Davies, LLP
New York, New York
August 7, 2014

Pacific DataVision, Inc.

Balance Sheets

	March 31 2013	March 31 2014
ASSETS		
Current assets		
Cash	$ 194,938	$ 45,679
Accounts receivable	289,003	369,408
Prepaid expenses	21,481	22,046
Total current assets	505,422	437,133
Furniture, fixture and equipment, net	82,615	99,548
Capitalized patent costs, net	267,001	259,627
Other assets	7,124	6,883
	$ 862,162	803,191
LIABILITIES AND STOCKHOLDERS DEFECIENCY		
Current liabilities		
Accounts payable and accrued expenses	$ 261,637	$ 254,981
Accounts payable – officers	101,691	117,961
Total current liabilities	363,328	372,942
Noncurrent liabilities		
Accrued interest expense – affiliated entities	544,899	870,247
Deferred compensation	337,270	361,610
Notes payable – affiliated entities	2,700,317	3,405,808
Total liabilities	3,945,814	5,010,607
Stockholders' deficiency		
Preferred stock, no par value, 40,000,000 shares authorized, 748,043 shares issued and outstanding at March 31, 2013 and 748,722 shares issued and outstanding at March 31, 2014	20,516,999	20,525,999
Common stock, no par value, 85,000,000 shares authorized, 126,759 shares issued and outstanding at March 31, 2013 and 2014	1,182,962	1,182,962
Additional paid-in capital	947,577	1,026,634
Accumulated deficit	(25,731,190)	(26,943,011)
Total stockholders' deficiency	(3,083,652)	(4,207,416)
	$ 862,162	$ 803,191

See notes to financial statements

Pacific DataVision, Inc.

Statements of Operations

	Year Ended March 31	
	2013	2014
OPERATING REVENUE		
Service revenue	$ 3,426,966	$ 4,001,117
COST OF REVENUE		
Service	1,492,705	1,585,643
Gross profit	1,934,261	2,415,474
OPERATING EXPENSES		
General and administrative	850,756	846,579
Sales and support	1,247,505	1,382,024
Product development	715,918	934,818
Stock compensation expense	82,438	79,057
Depreciation and amortization	52,726	59,469
Total operating expenses	2,949,343	3,301,947
Loss from operations	(1,015,082)	(886,473)
Interest expense – affiliated entities	(224,836)	(325,348)
Net loss	$ (1,239,918)	$ (1,211,821)
Net loss per common share basic and diluted	$ (9.78)	$ (9.56)
Weighted-average common shares used to compute basic and diluted net loss per share	126,759	126,759

See notes to financial statements

Pacific DataVision, Inc.

Statements of Stockholders' Deficiency

	Number of Shares		Amounts				
	(1) Common	(2) Preferred Stock Series AA	Series AA Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at March 31, 2012	126,759	747,477	$ 20,509,499	$ 1,182,962	$ 865,139	$ (24,491,272)	$ (1,933,672)
Issuance of stock	—	566	7,500	—	—	—	7,500
Share-based compensation expense	—	—	—	—	82,438	—	82,438
Net loss	—	—	—	—	—	(1,239,918)	(1,239,918)
Balance at March 31, 2013	126,759	748,043	20,516,999	1,182,962	947,577	(25,731,190)	(3,083,652)
Issuance of stock	—	679	9,000	—	—	—	9,000
Share-based compensation expense	—	—	—	—	79,057	—	79,057
Net loss	—	—	—	—	—	(1,211,821)	(1,211,821)
Balance at March 31, 2014	126,759	748,722	$ 20,525,999	$ 1,182,962	$ 1,026,634	$ (26,943,011)	$ (4,207,416)

(1) 85,000,000 shares authorized, no par value per share.

(2) Series AA Preferred Stock has 40,000,000 shares authorized with no par value, an 8% non cumulative dividend and has first priority on liquidation preference over the common stock. The Preferred Stock is convertible into Common Stock on a one for one basis at the option of the holder, or at the option of the company under certain conditions, as defined. At March 31, 2014, the preferred stock is convertible into approximately 749,000 shares of common stock (see note 12).

See notes to financial statements.

Pacific DataVision, Inc.

Statement of Cash Flows

	Year Ended March 31	
	2013	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(1,239,918)	$(1,211,821)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation and amortization	52,726	59,469
Non-cash compensation expense attributable to stock awards	82,438	79,057
Changes in operating assets and liabilities		
Accounts receivable	(39,927)	(80,405)
Prepaid expenses and other assets	(1,076)	(324)
Accounts payable and accrued expenses	88,948	2,344
Accounts payable – officers	10,498	16,270
Accrued interest expense – affiliated entities	224,836	325,348
Deferred compensation	81,302	24,340
Net cash from operating activities	(740,173)	(785,722)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(16,923)	(33,572)
Payments for patents costs	(53,567)	(35,456)
Net cash from investing activities	(70,490)	(69,028)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable – affiliated entities	976,466	705,491
Net change in cash	165,803	(149,259)
CASH		
Beginning of year	29,135	194,938
End of year	$ 194,938	$ 45,679
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Taxes paid	$ 3,564	$ 3,710
Non-cash financing activities		
Accounts payable settled with preferred stock	$ 7,500	$ 9,000

See notes to financial statements

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

1. Nature of Operations

The company was incorporated in California in 1997. The company is engaged in the development and sale of wireless communications applications, including at times the sale and installation of equipment used to run these applications. The company's applications are primarily marketed by wireless communications carriers to their subscribers under licensing agreements with the company. The company also sells certain applications direct to end users. The company maintains offices in Paterson, New Jersey and San Diego, California.

As shown in the accompanying financial statements, the company has incurred losses of approximately $1.2 million in each of fiscal years 2014 and 2013 and has a stockholders' deficiency of approximately $4.2 million at March 31, 2014. In addition, the company has historically funded operations through the issuance of debt and equity instruments. The company has access to a line of credit of up to $3.0 million with a related party (see note 6). As of March 31, 2014, such line of credit has $1.575 million available for use by the company. In addition, the company has recently raised funds through the sale of additional common stock (see note 12). A portion of the proceeds from the sale of common stock are expected to be used to satisfy the company's noncurrent liabilities.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with US GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Furniture, Fixture and Equipment

Furniture, fixture and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Patent Costs

Costs to acquire a patent on certain aspects of the company's technology have been capitalized. These amounts are amortized, subject to periodic evaluation for impairment, over statutory lives following award of the patent. Accumulated amortization amounted to $303,305 for the year ended March 31, 2014 and $260,475 for the year ended March 31, 2013. Amortization expense was $42,830 in 2014 and $37,510 in 2013 and is estimated to aggregate $40,000 per year over the next five-year period.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination or write-off history, aging analysis and any specific known troubled accounts. At March 31, 2014, management provided an allowance of $12,619 for certain slow paying accounts.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition

The company recognizes revenue in the period in which the services are provided to the customer and when collectability of the revenue is reasonably assured. The company records revenue at the gross amount billed to end-user customers. When the end-user is billed by our third party carriers, the estimated gross amount billed is recorded as revenue.

Cost of Revenue

The company's cost of revenue includes the portion of the revenue charged by the company's carrier customers which may include network services, connectivity, SMS service and special equipment expenses, sales, marketing, billing and other ancillary services.

Product Development Costs

The company charges all product and development costs to expense as incurred. Types of expense incurred in product and development include employee compensation, consulting, travel, facility costs and equipment and technology costs.

Stock Compensation

The company accounts for stock options in accordance with US GAAP, which requires the measurement and recognition of compensation expense, based on the estimated fair value of awards granted to employees and directors, which requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense in the company's statements of operations over the requisite service periods.

To calculate option-based compensation, the company used a Black-Scholes option-pricing model. The company's determination of fair value of option-based awards on the date of grant using the Black-Scholes model is affected by assumptions regarding a number of subjective variables.

No tax benefits were attributed to the share-based compensation expense because a full valuation allowance was maintained for all net deferred tax assets.

Income Taxes

The company follows the liability method of accounting for income taxes. Under this method, taxes consist of taxes currently payable plus those deferred due to temporary differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities using tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is provided when it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Accounting for Uncertainty in Income Taxes

The company recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that the company had no uncertain tax positions that would require financial statement recognition or disclosure. The company is no longer subject to U.S. federal, state or local income tax examinations for periods prior to 2011.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

2. Summary of Significant Accounting Policies *(continued)*

Fair Value of financial Instruments

Financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and notes payable – affiliated entities are carried at cost, which management believes approximates fair value because of the short-term maturity of these instruments.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09 Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This guidance is effective for interim and annual periods beginning on or after December 15, 2016. The company is currently evaluating the impact of the adoption of this accounting standard update on its financial statements.

Net Loss Per Share of Common Stock

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. For purposes of the diluted net loss per share calculation, preferred stock convertible notes payable-affiliated entities, stock options and warrants are considered to be potentially dilutive securities. Because the company has reported a net loss for the years ended March 31, 2013 and 2014, diluted net loss per common share is the same as basic net loss per common share for those periods.

Common stock equivalents resulting from potentially dilutive securities approximated 1,630,000 and 1,589,000 at March 31, 2014 and 2013, respectively, and have not been included in the dilutive weighted average shares outstanding, as their effects are anti-dilutive.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were issued. (See note 12)

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

3. Furniture, Fixture and Equipment

Furniture, fixture and equipment consist of the following at March 31:

	Estimated useful life	2013	2014
Computer equipment	5-7 years	$ 696,696	$ 725,984
Furniture and fixture	5 years	179,441	183,725
		876,137	909,709
Less accumulated depreciation		793,522	810,161
		$ 82,615	$ 99,548

4. Accounts Payable

Accounts payable-officers represents unreimbursed expenses including travel and entertainment expense incurred by the company's officers. At March 31, 2014 and 2013, the accounts payable to officers amounted to $117,961 and $101,691, respectively.

5. Deferred Compensation Plan

The company has a non-qualified deferred compensation plan created by the management to defer part of their compensation. At March 31, 2014 and 2013, the outstanding balance of this deferred compensation plan was $361,610 and $337,270, respectively, which is payable out of available funds held by the company.

6. Notes Payable – Affiliated Entities

The company has a $3 million working capital line of credit with a related party of which $1,425,000 has been drawdown as of March 31, 2014 ($1,195,000 at March 31, 2013). The line of credit expires on June 30, 2015 and all borrowings bear interest at 10% per annum. Commencing not later than September 30, 2015, the company shall repay to the Lender $50,000 per quarter of principal plus interest earned for the quarter then ended until the entire principal shall have been repaid.

The company has a promissory note to a related party in the amount of $540,000. The borrowing bears interest at 10% per annum. At June 30, 2015, the entire balance of principal and accrued interest shall be due and payable on the demand of the holder.

The company has outstanding Series AA Convertible promissory notes to certain employees. The notes bear interest of 10% per annum. Upon the election of the holder, principal and accrued interest due may convert into shares of the company's Series AA Preferred Stock. The number of shares of Series AA Preferred Stock shall be equal to the quotient obtained by dividing the entire outstanding principal amount and accrued interest by $13.25. The outstanding balance of these convertible promissory notes was $423,852 at March 31, 2014 and 2013. The notes mature on June 30, 2015. In the event that the notes have not converted into the company's equity and the company achieves EBITDA in an amount equal to or greater than $5,000 for any quarter, within 30 days following such quarter, the company agrees to use up to 20% of the EBITDA amount to pay the outstanding and unpaid principal and accrued interest to the note holders.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

6. Notes Payable – Affiliated Entities *(continued)*

The company issued redeemable convertible promissory notes (the "Redeemable Notes") with contingently issuable detachable warrants in the amount of $475,491 and $541,465 during 2014 and 2013. The notes bear interest at 10% per annum. The principal amount plus any accrued interest is payable on June 30, 2015. In connection with a private placement (see Note 12), the Redeemable Notes were amended in May 2014 to provide that the Redeemable Notes will automatically be converted into that number of shares of our common stock equal to the sum of 140% of the outstanding principal on the Redeemable Notes plus outstanding interest divided by $20.00 per share upon the closing of the Sprint APA (See Note 12). If the company does not successfully complete the Sprint APA, the outstanding principal and interest on the convertible notes will remain outstanding, and we will be required to issue the holders of the convertible notes warrants to purchase an aggregate of 153,551 shares of our common stock at an exercise price of $13.25 per share. The company will begin to accrete the principal balance from the amendment date through the expected closing of the Sprint APA.

At March 31, 2014, of the total $1,016,956 in Redeemable Notes payable, $796,865 were due to related parties, while of the $541,465 total notes payable at March 31, 2013, $481,465 were due to related parties.

Total interest expense on all notes payable amounted to $325,348 and $224,836 for the years ended March 31, 2014 and 2013, respectively, of which $308,675 and $223,836 were derived from related parties. Accrued interest expense at March 31, 2014 and 2013 amounted to $870,247 and $544,899, respectively, of which $852,574 and $543,899 were due to related parties at March 31, 2014 and 2013, respectively.

7. Income Taxes

The company had Federal and State net operating loss carryforwards of approximately $23 million at March 31, 2014 and 2013 expiring in varying amounts from 2021 and through 2034.

The company has deferred tax assets of approximately $8.5 million relating to its net operating loss carryforwards and deferred compensation plans at March 31, 2014 and 2013. Federal net operating loss carryforwards are subject to limitations as a result of the change in ownership as disclosed in Note 12. State net operating loss carryforwards are subject to limitations which differ from Federal law in that they may not allow the carryback of net operating losses, and have shorter carryforward periods. Due to the uncertainty with respect to the realization of these deferred tax assets, the company recorded a valuation allowance for the entire amount. The difference between the tax benefit at the statutory rate and the effective tax rate is attributable to a full valuation allowance placed upon the deferred tax asset.

8. Stock Purchases Rights, Stock Options and Warrants

The company established the Pacific DataVision 2010 Stock Plan ("Stock Plan") to attract, retain and reward individuals who contribute to the growth and profitability of the company. This Stock Plan superseded previous stock plans, although under such previous plans 8,336 stock options were vested and outstanding as of March 31, 2014.

Under the Stock Plan, the board of directors of the company has authorized the issuance of up to 116,748 shares of Series AA Preferred Stock and 21,148 shares of Common Stock. The board of directors authorizes the terms and conditions of each grant, and such grant may be in the form of options and restricted stock

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

8. Stock Purchases Rights, Stock Options and Warrants (*continued*)

awards and units. Options are granted at or above fair market value at the time of the grant. As of March 31, 2014 and 2013, there were 21,682 shares of Series AA Preferred Stock and 21,148 shares of Common Stock available for issuance under this Stock Plan. Shares granted to employees are subject to vesting, future settlement conditions and other such terms as determined by the board of directors.

Restricted Stock Units

44,197 shares of Series AA Preferred Stock in the form of restricted stock units have been granted under the Stock Plan and were vested as of March 31, 2014. The company recognizes compensation expense for restricted stock units over the explicit vesting period. Vested restricted stock units are settled and issuable upon the earlier of the date the employee ceases to be an employee of the company or a date certain in the future. During fiscal 2013, the company granted 301 shares of restricted stock units to one employee which vested at grant. Stock compensation expense related to the 301 shares issued in fiscal 2013 was not material. There were no restricted stock units issued during fiscal 2014.

Stock Options

A summary of Stock Option activity for 2014 and 2013 is as follows:

	Options	Weighted Average Exercise Price
Options outstanding at March 31, 2012	57,041	$ 19.71
Issued, cancelled or expired	—	
Options outstanding at March 31, 2013	57,041	19.71
Cancelled or expired	(407)	66.23
Options outstanding at March 31, 2014	56,634	$ 19.38

Additional information regarding Options outstanding at March 31, 2014 is as follows:

Exercise Prices	Number Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price of Shares Exercisable
$13.25	48,298	6.68	$ 13.25	39,151	$ 13.25
49.67	6,467	2.51	49.67	6,467	49.67
72.85	1,869	1.36	72.85	1,869	72.85
	56,634	6.04	$ 19.38	47,487	$ 20.56

Stock compensation expense of $79,057 and $82,438 and 2014 and 2013, respectively, represents the amortization of the fair value of options issued between fiscal year 2009 and 2011. As of March 31, 2014, there was $79,057 of unrecognized compensation cost related to non-vested stock options granted under the Stock Plan. The cost is expected to be recognized over a weighted-average period of one year. The intrinsic value of the options outstanding and exercisable at March 31, 2014 and 2013 amounted to $326,012 and $264,269, respectively.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

8. Stock Purchases Rights, Stock Options and Warrants (*continued*)

Warrants

A summary of Warrant activity is as follows:

	Warrants	Weighted Average Exercise Price
Warrants outstanding at March 31, 2012	695,477	$ 31.47
Issued, cancelled or expired	(4,530)	
Warrants outstanding at March 31, 2013	690,947	31.14
Issued, cancelled or expired	(4,530)	
Warrants outstanding at March 31, 2014	686,417	$ 30.80

The warrants outstanding at March 31, 2014 do not include 153,551 shares of contingently issuable warrants to purchase preferred stock at $13.25 per share as described in Note 6.

Additional information regarding Warrants outstanding at March 31, 2014 is as follows:

Exercise Prices	Number Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price
$ 26.49	661,581	1.75	$ 26.49
82.79	6,039	2.17	82.79
165.57	18,797	0.35	165.57
	686,417	1.71	$ 30.80

The exercise price of the 661,581 warrants above escalates up to $29.80 per share through the expiration date.

The outstanding warrants that are immediately exercisable into common or preferred stock amounted to 686,417 and 690,947 shares at March 31, 2014 and 2013, respectively, and expire on various dates through January 2016.

9. Commitments

Leasing Obligations

The company is obligated under certain lease agreements for office space. The leases expire on February 28, 2015 and November 1, 2016. Rent expense amounted to $113,920 and $111,557 for the years ended March 31, 2014 and 2013.

The straight-line method is used to recognize minimum rental expense under leases which provide for varying rents over their term. The effect of applying the straight-line basis resulted in a decrease in rental expense of $17,088 in fiscal year 2014 and an increase of $37,015 in fiscal year 2013. At March 31, 2014, accumulated deferred rent payable amounted to $43,372 and is included as part of accounts payable and accrued expenses in the accompanying March 31, 2014 balance sheet.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

9. Commitments *(continued)*

Aggregate rental expenses, under non-cancelable leases for office and plant space (exclusive of real estate taxes, utilities, maintenance and other costs borne by the company) for the remaining terms of the company's leases are as follows:

Year Ending March 31,	
2015	$126,764
2016	65,935
2017	35,715
Total	$228,414

Employee Agreements

We entered into an employment agreement with our President and Chief Executive Officer in August 2004, which was amended in 2012 and 2014. The terms of his employment agreement provides for him to receive a base salary per year of $350,000, effective, July 1, 2014, which may be increased as determined by our board of directors, and which is being increased as set forth above. The term of the employment agreement expired after two years from the effective date, and automatically renews for a one-year period each year thereafter, unless we provide him advanced notice of nonrenewal.

If his employment is terminated by our company without cause, he is entitled to receive a lump sum severance payment equal to 12 months of his base salary. If he terminates his employment for good reason, he is entitled to receive a severance payment equal to 12 months of his base salary payable in 12 equal monthly payments. However, upon a termination without cause or for good reason, he will only be entitled to: (i) 6 months of his base salary if he is in his final year of his employment period which has not been renewed or (ii) the base salary then in effect through the date of termination (but no less than 2 months base salary for a termination without cause) if he is past the final year of his employment period which has not been renewed.

We entered into an employment agreement with our Chief Technology Officer in July 2004, which was amended in 2012 and 2014. The terms of his employment agreement provide for him to receive a base salary per year of $250,000, effective July 1, 2014, but which may be increased as determined by our board of directors, and which is being increased as set forth above. The term of the employment agreement expired after two years from the effective date, and automatically renews for a one year period each year thereafter, unless we provide him advanced notice of nonrenewal.

If his employment is terminated by our company without cause, he is entitled to receive a lump sum severance payment equal to 12 months of this base salary. If he terminates his employment for good reason, he is entitled to receive a severance payment equal to 12 months of his base salary payable in 12 equal monthly payments. However, upon a termination without cause or for good reason, he will only be entitled (i) to 6 months of his base salary if he is in his final year of his employment period which has not been renewed or (ii) the base salary then in effect through the date of termination (but no less than 2 months base salary for a termination without cause) if he is past the final year of his employment period which has not been renewed.

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

10. Concentrations of Credit Risk

Financial instruments which potentially expose the company to concentrations of credit risk, consist primarily of cash and trade accounts receivable.

The company places its cash and temporary cash investments with financial institutions for which credit loss is not anticipated.

The company sells its product and extends credit predominately to two customers. The company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk, historical trends, and other information.

11. Major Customers

For the year ended March 31, 2014, the company had three carriers that accounted for 41%, 27% and 16% of revenues and 33%, 43% and 6% of accounts receivable, respectively.

For the year ended March 31, 2013, the company had two carriers that accounted for 62% and 28% of revenues and 65% and 16% of accounts receivable, respectively.

12. Subsequent Events

The company has implemented a strategic plan to expand its business to become an operator of two-way radio systems. In pursuant of that objective, subsequent to March 31, 2014, the company has:

Entered into an Asset Purchase Agreement with wholly owned subsidiaries of Sprint Corporation (Sprint APA) to purchase nationwide spectrum assets for a total of $100 million, with $90 million to be paid in cash from the proceeds of the private placement (see below) and $10 million paid in 500,000 shares of our common stock (at a price equal to $20.00 per share). A deposit to Sprint of $13,500,000 was made on June 11, 2014 and all appropriate transfer applications have been filed with the Federal Communications Commission (FCC). The deposit is fully refundable if the Sprint APA does not close.

Completed a private placement, on June 10, 2014, in which we sold 10,925,000 shares of common stock at a purchase price of $20.00 per share. The net proceeds from the private placement after deducting the company's expenses and the payment of initial placement fees, were approximately $202,832,000. $195,665,400 of the net proceeds is being held in trust until the closing of the Sprint APA. The net proceeds held in trust are to be paid back to the investors of the private offering if the Sprint APA does not close.

In connection with the private placement, we completed a number of actions, including:

- The reincorporation of our company from California to Delaware, which was effective on May 30, 2014;
- The conversion of all outstanding shares of our Series AA Preferred Stock into 748,722 shares of the company's common stock, the exchange of 661,581 outstanding warrants to purchase shares of Series AA Preferred Stock into 29,809 shares of the company's common stock, and the conversion of the company's remaining options and warrants to purchase shares of our Series AA Preferred Stock into options or warrants to purchase shares of the company's common stock and the conversion of restricted stock units for shares of the company's Series AA Preferred Stock into restricted stock units for shares of the company's common stock;

Pacific DataVision, Inc.

Notes to Financial Statements
March 31, 2014 and 2013

12. Subsequent Events *(continued)*

- The amendment of outstanding redeemable notes, in the aggregate principal of $1,016,956, to provide that the Redeemable Notes will automatically be converted into that number of shares of the company's common stock equal to the sum of 140% of the principal plus the outstanding interest on such redeemable notes through the conversion divided by $20.00 per share, contingent upon the Sprint APA closing;
- A 33.11451201-for-1 reverse stock split of all the company's outstanding stock, which was effected immediately prior to the completion of the private placement. All share and per share data reported and disclosed in the accompanying financial statements have been retroactively adjusted to give effect for the reverse stock split.

Entered into an agreement with Motorola on May 15, 2014, under which Motorola agreed to provide the company with their state-of-the-art MotoTRBO technology that the company intends to deploy as part of its nationwide network. Additionally, the company entered into a letter of intent with Motorola under which it has indicated its intent to invest up to $10 million in a newly formed company subsidiary and to lease some of the Spectrum Assets the company is buying in the Sprint APA.

In addition, the company issued the following equity awards:

- 2014 Stock Plan: The company's Board of Directors and stockholders adopted a 2014 Stock plan on May 12, 2014, authorizing and reserving 1,200,000 shares of the company's common stock for issuance as stock option awards.
- Restricted Stock Units: On May 12, 2014, the company issued 82,054 restricted stock units for shares of its common stock to certain employees and contractors of the company.
- Options: From May 14, 2014 through June 30, 2014, the company awarded certain employees and contractors of the company 965,750 options to purchase shares of common stock with an exercise price of $20.00 per share.

The following table represents the pro-forma capitalization (unaudited) of the company assuming the private placement and the Sprint APA deposit occurred on March 31, 2014 :

	As Reported	Pro-Forma (Unaudited)
Cash and cash equivalents	$ 45,679	$ 7,212,140
Restricted cash	—	82,165,400
Long-term deposit	—	13,500,000
Stockholders' equity (deficiency)		
Common stock	1,182,962	1,183
Preferred stock	20,525,999	—
Additional paid-in capital	1,026,634	225,566,273
Accumulated deficit	(26,943,011)	(26,943,011)
Total stockholders' equity (deficiency)	(4,207,416)	198,624,445

Table of Contents

Up to 10,925,000 Shares

Common Stock

PROSPECTUS

Pacific DataVision, Inc.

, 2014

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement all of which will be paid by us. All of the amounts are estimated except for the Securities and Exchange Commission registration fee.

Item	Amount*
Securities and Exchange Commission registration fee	$ (1)
Legal fees and expenses	$ 150,000
Accounting fees and expenses	$ 50,000
Printing expenses	$ 30,000
FINRA filing fees	$ (1)
Total	$ (1)

(1) To be filed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Delaware law provides that directors of a corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any breach of their duty of loyalty to the corporation or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law ("DGCL") relating to unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- for any transaction from which the director derived an improper personal benefit.

The limitation of liability does not apply to liabilities arising under the federal or state securities laws and does not affect the availability of equitable remedies, such as injunctive relief or rescission.

Article XI of the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") specifies that a director of the Company shall not be personally liable to the Company or to any stockholders for monetary damages for breach of fiduciary duties as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

Article XII of the Certificate of Incorporation and Article XIII of the Company's Amended and Restated Bylaws (the "Bylaws") state that the Company shall indemnify, to the fullest extent permitted by applicable law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding authorized by the Company's board of directors by reason of the fact that such person is or was a director or officer of the Company or is or was serving at the request of the Company.

Article XIII of the Certificate of Incorporation permits the Company to purchase and maintain director or officer liability insurance.

The registrant has entered into indemnification agreements with its directors and officers. Subject to certain limited exceptions, under these agreements, the registrant will be obligated, to the fullest extent not prohibited by the DGCL, to indemnify such directors and officers against all expenses, judgments, fines and penalties incurred in connection with the defense or settlement of any actions brought against them by reason of the fact that they were directors or officers of the registrant. The registrant also maintains liability insurance for its directors and officers in order to limit its exposure to liability for indemnification of such persons.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since April 1, 2011, the registrant made the following issuances of its unregistered securities as described below. All share amounts have been retroactively adjusted to give effect to the reverse stock split of 33.11451201-for-1 of the registrant's common stock and the conversion of the registrant's outstanding shares of Series AA preferred stock to common stock, each effected on June 10, 2014.

(1) On May 12, 2014, the registrant issued restricted stock units for 82,054 shares of its common stock to certain employees and consultants pursuant to the registrant's 2010 Stock Plan.

(2) From May 14, 2014 through June 30, 2014, the registrant issued certain employees and consultants stock options to purchase 966,750 shares of the registrant's common stock pursuant to the registrant's 2014 Stock Plan at an exercise price of $20.00 per share.

(3) On June 10, 2014, the registrant completed a private placement in which it sold 10,925,000 shares of common stock at a purchase price of $20.00 per share. The issuances of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2), Rule 144A and Regulation S under the Securities Act.

(4) On June 10, 2014, in connection with the private placement, the registrant converted all outstanding warrants to purchase shares of Series AA Preferred Stock into 29,809 shares of the registrant's common stock upon the closing of the private placement. issued upon the conversion of all outstanding warrants to purchase shares of our Series AA Preferred Stock, and (iii) all outstanding restricted stock units for shares of our Series AA Preferred Stock were converted to 44,197 restricted stock units for shares of our common stock were.

(5) From January 2013 through 2014, the registrant issued redeemable promissory notes in the aggregate amount of $1,016,956.00, which included detachable warrants to purchase shares of common stock at a rate of 150 shares of common stock for every $1,000 in principal. Under the original terms, the warrants would detach if the registrant failed to repay the entire principal and outstanding interest by July 1, 2014. In connection with the private placement, on May 14, 2014, the redeemable promissory notes were amended to provide that (a) the redeemable promissory notes will automatically be converted into that number of shares of the registrant's common stock equal to the sum of 140% of the outstanding principal on the redeemable promissory notes plus outstanding interest divided by $20.00 per share upon the closing of registrant's acquisition of the Spectrum Assets from Sprint Corporation and (b) the warrants will not detach, and therefore, will not be exercisable.

Unless otherwise stated above, the issuances of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act, or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were placed upon the stock certificates issued in these transactions.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

See Exhibit Index.

(b) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are omitted because they are not required, are not applicable or the information is included in the financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or issuances are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Paterson, State of New Jersey, on August 7, 2014.

PACIFIC DATAVISION, INC.

By: /s/ John Pescatore
John Pescatore
Chief Executive Officer and President

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John Pescatore and Timothy Gray, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Brian McAuley Brian McAuley	Chairman of the Board (Principal Executive Officer)	August 7, 2014
/s/ Morgan O'Brien Morgan O'Brien	Vice Chairman of the Board	August 7, 2014
/s/ John Pescatore John Pescatore	Director, President and Chief Executive Officer	August 7, 2014
/s/ Timothy Gray Timothy Gray	Chief Financial Officer (Principal Financial and Accounting Officer)	August 7, 2014
/s/ T. Clark Akers T. Clark Akers	Director	August 7, 2014
/s/ Andrew Daskalakis Andrew Daskalakis	Director	August 7, 2014
/s/ Peter Schiff Peter Schiff	Director	August 7, 2014
/s/ John C. Sites John C. Sites	Director	August 7, 2014

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation of Pacific DataVision, Inc. (the "Company")
3.2	Amended and Restated Bylaws of the Company
4.1*	Form of Common Stock Certificate of the Company
4.2	Registration Rights Agreement, dated June 10, 2014, by and among the Company, certain of the Company's executive officers named therein, and FBR Capital Markets & Co., on behalf of the investors participating in the June 2014 private placement.
4.3	Amended and Restated Investor Rights Agreement, dated October 2010, by and among the Company and investors named therein
4.4	Amendment and Waiver of Rights under Amended and Restated Investor Rights Agreement, approved May 30, 2014, by and among the Company and the investors named therein
4.5	Form of Common Stock Purchase Warrant, dated August 6, 2004, by and among the Company and the investors therein
4.6	Note and Warrant Purchase Agreement, dated January 1, 2013, by and among the Company and the investors named therein
4.7	Form of Redeemable Convertible Promissory Notes, dated January , 2013
4.8	Amendment to Redeemable Convertible Promissory Notes, approved May 30, 2014
4.9	Working Capital Advance Agreement, dated August 1, 2010, by and among the Company and Brian McAuley
4.10	Amended and Restated Promissory Note, dated September 1, 2010, as amended March 31, 2011, by and among the Company and Brian McAuley
4.11	Form of Convertible Promissory Note issued to certain of the Company's employees
5.1	Opinion of DLA Piper (US) LLP
10.1+	2004 Stock Plan, as amended
10.2+	Form of Stock Option Agreement under 2004 Stock Plan
10.3+	2010 Stock Plan, as amended
10.4+	Form of Stock Option Agreement under 2010 Stock Plan
10.5+	Form of Restricted Stock Unit Agreement under 2010 Stock Plan
10.6+	2014 Stock Plan
10.7+	Form of Notice of Grant of Stock Option and Stock Option Agreement under 2014 Stock Plan
10.8+	Form of Notice of Grant of Restricted Stock Unit and Restricted Stock Unit Agreement under 2014 Stock Plan
10.9+	Form of Indemnification Agreement by and among the Company and its officers and directors
10.10+	Employment Agreement, dated August 9, 2004, by and among the Company and John Pescatore
10.11+	Amendment to Employment Agreement, dated June 1, 2012 by and among the Company and John Pescatore
10.12+	Employment Agreement, dated July 1, 2004, by and among the Company and Frank Creede

Exhibit No.	Description of Exhibit
10.13+	Amendment to Employment Agreement, dated June 1, 2012 by and among the Company and Frank Creede
10.14*	Asset Purchase Agreement, dated May 13, 2014, by and among the Company and FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc.
10.15*	Letter Amendment to the Asset Purchase Agreement, dated May 28, 2104, by and among the Company and FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc.
10.16*	Stock Issuance Agreement, dated May 13, 2014, by and among the Company and Machine License Holding, LLC.
10.17*	Motorola Partnerempower North American Reseller Agreement, dated May 15, 2014, by and among the Company and Motorola Solutions, Inc.
10.18	Trust Agreement, dated June 10, 2014, by and among the Company, the investors named therein, T. Clark Akers and Wilmington Trust
10.19	Escrow Agreement, dated June 10, 2014, by and among the Company, FBR Capital Markets & Co. and Wilmington Trust
23.1	Consent of PKF O'Connor Davies, Independent Registered Public Accounting Firm relating to the Financial Statements of the Company
24.1	Power of Attorney (included on signature page)

* To be filed by amendment

\+ Management Compensation Plan

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "PACIFIC DATAVISION, INC.", FILED IN THIS OFFICE ON THE NINTH DAY OF JUNE, A.D. 2014, AT 1:09 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID RESTATED CERTIFICATE IS THE TENTH DAY OF JUNE, A.D. 2014, AT 9 O'CLOCK A.M.

Jeffrey W. Bullock, Secretary of State

5524216 8100

140811359

AUTHENTICATION: 1435267

DATE: 06-09-14

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
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AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF PACIFIC DATAVISION, INC., a Delaware corporation

The undersigned, John Pescatore, hereby certifies that:

1. He is the duly elected and acting President and Chief Executive Officer of Pacific DataVision, Inc., a Delaware corporation.

2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of the State of Delaware on April 28, 2014, under the name of Pacific DataVision, Inc.

3. The Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I.

The name by which the corporation is to be known is Pacific DataVision, Inc. (the "Corporation").

ARTICLE II.

The address of the Corporation's registered office in the State of Delaware and the County of Kent is 3500 South DuPont Highway in the City of Dover, County of Kent, 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as from time to time amended.

ARTICLE IV.

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 110,000,000 shares, consisting of (a) 100,000,000 shares of common stock, par value $0.0001 per share (the "Common Stock"), and (b) 10,000,000 shares of preferred stock, par value $0.0001 per share (the "Preferred Stock").

Upon the effective time of this Amended and Restated Certificate of Incorporation, every 33.11451201 shares of Common Stock outstanding or held in treasury immediately prior to such time shall automatically and without any action of the part of the holders thereof be combined into one (1) share of Common Stock (the "Reverse Stock Split"). The par value of the Common Stock shall remain $0.0001 per share. This Reverse Stock Split shall apply to all shares of Common Stock. No fractional shares of Common Stock shall be issued upon the Reverse Stock Split or otherwise. In lieu of any fractional shares of Common Stock to which the stockholder would otherwise be entitled upon the Reverse Stock Split, the Corporation shall pay cash equal to such fraction multiplied by $20.00 per share, the value of a whole share of Common Stock.

All certificates representing shares of Common Stock outstanding immediately prior to the effective time of this Amended and Restated Certificate of Incorporation shall immediately after the filing of this Amended and Restated Certificate of Incorporation represent instead the number of shares of Common Stock as provided above. Notwithstanding the foregoing, any holder of Common Stock may (but shall not be required to) surrender his, her or its stock certificate or certificates to the Corporation, and upon such surrender the Corporation will issue a certificate for the correct number of shares of Common Stock to which the holder is entitled under the provisions of this Amended and Restated Certificate of Incorporation. Shares of Common Stock that were outstanding prior to the effective time of this Amended and Restated Certificate of Incorporation, and that are not outstanding after and as a result of the filing of this Amended and Restated Certificate of Incorporation, shall resume the status of authorized but unissued shares of Common Stock.

The designations, preferences, privileges, rights and voting powers and any limitations, restrictions or qualifications thereof, of the shares of each class are as follows:

(a) The holders of outstanding shares of Common Stock shall have the right to vote on all questions to the exclusion of all other stockholders, each holder of record of Common Stock being entitled to one vote for each share of Common Stock standing in the name of the stockholder on the books of the Corporation, except as may be provided in this Amended and Restated Certificate of Incorporation, in a Preferred Stock Designation (as hereinafter defined), or as required by law.

(b) The Preferred Stock may be issued from time to time in one or more series. The Board of Directors (or any committee to which it may duly delegate the authority granted in this Section (b) of Article IV) is hereby empowered to authorize the issuance from time to time of shares of Preferred Stock in one or more series, for such consideration and for such corporate purposes as the Board of Directors may from time to time determine, and by filing a certificate pursuant to applicable law of the State of Delaware (hereinafter referred to as a "Preferred Stock Designation") as it presently exists or may hereafter be amended to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent now or hereafter permitted by this Amended and Restated Certificate of Incorporation and the laws of the State of Delaware, including, without limitation, voting rights (if any), dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof, as shall be stated and expressed in a resolution or resolutions adopted by the Board of Directors (or such committee thereof) providing for the issuance of such series of Preferred Stock. Each series of Preferred Stock shall be distinctly designated. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

(i) The designation of the series, which may be by distinguishing number, letter or title.

(ii) The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).

(iii) The amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative.

(iv) Dates at which dividends, if any, shall be payable.

(v) The redemption rights and price or prices, if any, for shares of the series.

(vi) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(vii) The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(viii) Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made.

(ix) Restrictions on the issuance of shares of the same series or of any other class or series.

(x) The voting rights, if any, of the holders of shares of the series.

ARTICLE V.

The term of existence of the Corporation is to be perpetual.

ARTICLE VI.

The number of its directors shall be determined in the manner provided in the Amended and Restated Bylaws (the "Bylaws") of the Corporation.

ARTICLE VII.

Subject to the rights of the holders of any series of Preferred Stock then outstanding, directors shall be elected at each annual meeting of stockholders. Notwithstanding the foregoing sentence, each director shall hold office until such director's successor is duly elected and qualified, or until such director's earlier death, incapacity, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

ARTICLE VIII.

Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of record of all of the issued and outstanding capital stock of the Corporation authorized by law or by this Amended and Restated Certificate of Incorporation to vote on such action, and such writing or writings are filed with the permanent records of the Corporation.

ARTICLE IX.

Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, special meetings of stockholders for the transaction of such business as may properly come before the meeting may only be called by order of the Chairman of the Board of Directors, the Board of Directors (pursuant to a resolution adopted by a majority of the total number of directors that the Corporation would have if there were no vacancies) or the Chief Executive Officer of the Corporation, and shall be held at such date and time, within or without the State of Delaware, as may be specified by such order. If such order fails to fix such place, the meeting shall be held at the principal executive offices of the Corporation.

ARTICLE X.

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the Corporation is expressly authorized to make, alter and repeal the Bylaws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal the Bylaws under applicable law as it presently exists or may hereafter be amended. Stockholders of the Corporation are authorized to make, alter and repeal the Bylaws of the Corporation only pursuant to Article XIV of the Bylaws of the Corporation.

ARTICLE XI.

A director of the Corporation shall not be personally liable either to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment or modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

ARTICLE XII.

(a) Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), any person (a "Covered Person") who was or is a party or is threatened to be made a party to, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature (a "proceeding"), by reason of the fact that such Covered Person, or a person for whom he or she is the legal representative, is or was, at any time during which this Section (a) of Article XII is in effect (whether or not such Covered Person continues to serve in such capacity at the time any indemnification or payment of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), a director or officer of the Corporation, or has or had agreed to become a director of the Corporation, or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation, limited liability company, partnership, joint venture, employee benefit plan, trust, nonprofit entity or other enterprise, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, against all liability and loss suffered (including, without limitation, any judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) and expenses (including attorneys' fees), actually and reasonably incurred by such Covered Person in connection with such proceeding to the fullest extent permitted by law, and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided however, that, except as provided in Section (b) of this Article XII, the Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section (a) of Article XII and such rights as may be conferred in the Bylaws of the Corporation shall include the right to be paid by the Corporation the expenses (including attorneys' fees) incurred by a Covered Person in defending any such proceeding in advance of its final disposition, in accordance with the Bylaws of the Corporation. The rights conferred upon Covered Persons in this Section (a) of Article XII shall be contract rights that vest at the time of such person's service to or at the request of the Corporation and such rights shall continue as to a Covered Person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation with the same (or lesser) scope and effect as the foregoing indemnification of directors and officers.

(b) Right of Claimant to Bring Suit. In accordance with the Bylaws of the Corporation, if a claim for indemnification under Section (a) of this Article XII is not paid in full within sixty (60) days after a written claim has been received by the Corporation, the Covered Person making such claim may at any time thereafter file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim.

(c) Non Exclusivity of Rights. In accordance with the Bylaws of the Corporation, the right to indemnification and the payment of expenses incurred in defending a proceeding in

advance of its final disposition conferred any Covered Person by Section (a) of this Article XII (i) shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, the Bylaws, agreement, vote of stockholders or disinterested directors or otherwise and (ii) cannot be terminated by the Corporation, the Board of Directors or the stockholders of the Corporation with respect to a Covered Person's service occurring prior to the date of such termination.

ARTICLE XIII.

The Corporation may purchase and maintain insurance, at its expense, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was a director, officer, employee or agent of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability, expense or loss asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability, expense or loss under the provisions of the Bylaws of the Corporation or the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such person shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such person.

ARTICLE XIV.

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware as they presently exist or may hereafter be amended, subject to any limitations contained elsewhere in this Amended and Restated Certificate of Incorporation, the Corporation may adopt, amend or repeal this Amended and Restated Certificate of Incorporation; provided that Articles VI, VII, VIII, IX, X, XII and this Article XIV may only be amended or repealed by the affirmative vote of the holders of record of no less than 66 ⅔% of the issued and outstanding shares of the capital stock of the Corporation entitled to vote on such action.

The foregoing Amended and Restated Certificate of Incorporation has been duly adopted by this Corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 228, 242 and 245 of the Delaware General Corporation.

This Amended and Restated Certificate of Incorporation shall be effective on June 10, 2014 at 9:00 a.m. eastern standard time.

IN WITNESS WHEREOF, Pacific DataVision, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer this 9th day of June, 2014.

/s/ John Pescatore
John Pescatore
President and Chief Executive Officer

AMENDED AND RESTATED
BYLAWS
OF
PACIFIC DATAVISION, INC.
(a Delaware Corporation)

ARTICLE I

STOCKHOLDERS

SECTION 1. **Annual Meetings**. The annual meeting of stockholders of Pacific DataVision, Inc. (the "Corporation") for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each fiscal year at such date and time, within or without the State of Delaware, as the Board of Directors shall determine.

SECTION 2. **Notice of Meetings**. Written notice of all meetings of the stockholders, stating the place, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the place at which the list of stockholders may be examined, and the purpose or purposes for which the meeting is to be held, shall be mailed or otherwise delivered (including pursuant to electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware, except to the extent prohibited by Section 232(e) of the General Corporation Law of the State of Delaware) to each stockholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days prior to the date of the meeting and shall otherwise comply with applicable law. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. If notice is given by electronic transmission, such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with these Amended and Restated Bylaws. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Corporation's Amended and Restated Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 3. **Quorum and Adjournment**. Except as otherwise provided by law or the Corporation's Amended and Restated Certificate of Incorporation, a quorum for the transaction of business at any meeting of stockholders shall consist of the holders of record of a majority of the issued and outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, present in person or by proxy, except

that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the issued and outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the meeting or a majority of the shares entitled to vote who are present, in person or by proxy, at the meeting may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 4. **Organization**. Meetings of stockholders shall be presided over by the Chairman, or if none or in the Chairman's absence the Presiding Director, or if none or in the Presiding Director's absence, the Vice-Chairman, or if none or in the Vice-Chairman's absence the Chief Executive Officer, or in the Chief Executive Officer's absence a Vice-President, or, if none of the foregoing is present, by a chairman to be chosen by a majority of the stockholders entitled to vote who are present, in person or by proxy, at the meeting. The Secretary of the Corporation, or in the Secretary's absence an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as secretary of the meeting.

SECTION 5. **Voting; Proxies; Required Vote**.

(a) At each meeting of stockholders, every stockholder shall be entitled to vote in person or by proxy appointed by instrument in writing, subscribed by such stockholder or by such stockholder's duly authorized attorney in fact (but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period), and, unless the Amended and Restated Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such stockholder on the books of the Corporation on the applicable record date fixed pursuant to these Amended and Restated Bylaws. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, in all matters other than the election of directors, which shall be governed by Section 8 of this Article I, the affirmative vote of a majority of the votes cast at any meeting (present in person or represented by proxy at the meeting) and entitled to vote on the matter shall be valid and binding upon the Corporation.

(b) Where a separate vote by a class or series of stock voting as a class, a majority of the outstanding shares of such class, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote or that matter and the affirmative vote of the majority (plurality, in the case of the election of directors in any contested election as provided in Section 8 of Article I) of the votes cast by such class (present in person or represented by proxy at the meeting) shall be the act of such class, unless a greater vote is otherwise required by law, the Corporation's Amended and Restated Certificate of Incorporation or these Bylaws.

(c) For purposes of this Section 5, a majority of the votes cast means that the number of shares voted "for" the proposal exceeds the number of shares voted "against" that proposal. The following shall not be votes cast: (1) a share otherwise present at the meeting but for which there is an abstention and (2) a share otherwise present at the meeting as to which a stockholder gives no authority or direction.

Section 6. **Inspectors**. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not so appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by such inspector or inspectors and execute a certificate of any fact found by such inspector or inspectors.

SECTION 7. **Notice of Stockholder Nominations and Other Business**.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors, or (C) by any stockholder of the Corporation who (i) was a stockholder of record of the Corporation at the time the notice provided for in this Section 7 is delivered to the Secretary of the Corporation and at the time of the annual meeting, (ii) is entitled to vote at the meeting, and (iii) complies with the notice procedures set forth in this Section 7 as to such business or nomination. Clause (C) of the preceding sentence shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(2) Without qualification or limitation, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(1) of this Section 7, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business,

other than the nominations of persons for election to the Board of Directors, must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day nor later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(3) To be in proper form, a stockholder's notice delivered pursuant to this Section 7 must set forth: (A) as to each person, if any, whom the stockholder proposes to nominate for election or reelection as a director (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in contested election, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act, (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected and (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; (B) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Amended and Restated Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the

nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) (a) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (b) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (c) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Company, (d) any short interest in any security of the Company (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (e) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (f) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (g) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household, (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, (iv) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (v) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee or (b) otherwise to solicit proxies from stockholders in support of such proposal or nomination, and (vi) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. In addition, the stockholder's notice with respect to the election of directors must include, with respect to each nominee for election or reelection to the Board of Directors, the completed and signed questionnaire, representation and agreement required by Section 9 of this Article I. The Corporation may require any proposed nominee to furnish such other

information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. Notwithstanding the foregoing, the information required by clauses (a)(3)(C)(ii) and (a)(3)(C)(iii) of this Section 7 shall be updated by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such information as of the record date.

(4) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 7 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 7 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors, or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record of the Corporation at the time the notice provided for in this Section 7 is delivered to the Secretary of the Corporation and at the time of the special meeting, (ii) is entitled to vote at the meeting and upon such election, and (iii) complies with the notice procedures set forth in this Section 7 as to such nomination. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(3) hereof with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by this Bylaw) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Section 7 or the Amended and Restated Certificate of Incorporation shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such other business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 7. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, the chairman of the meeting shall have the power and duty (A) to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 7 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(3)(C)(v) of this Section 7) and (B) if any proposed nomination or other business was not made or proposed in compliance with this Section 7, to declare that such nomination shall be disregarded or that such proposed other business shall not be transacted. Notwithstanding the foregoing provisions of this Section 7, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or other business, such nomination shall be disregarded and such proposed other business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 7, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 7, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 7, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 7; provided however, that any references in these Amended and Restated Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 7 (including clause (a)(1)(C) and paragraph (b) hereof), and compliance with clause (a)(1)(C) and paragraph (b) of this Section 7 shall be the exclusive means for a stockholder to make nominations or submit other business, as applicable (other than matters brought properly under and in compliance with Rule 14a-8 of

the Exchange Act, as may be amended from time to time). Nothing in this Section 7 shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or (B) of the holders of any class or series of stock having a preference over the common stock of the Corporation as to dividends or upon liquidation ("Preferred Stock") to elect directors pursuant to any applicable provisions of the Amended and Restated Certificate of Incorporation.

SECTION 8. **Required Vote for Directors**. At any meeting of stockholders for the election of one or more directors at which a quorum is present, the election shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election.

SECTION 9. **Submission of Questionnaire, Representation and Agreement**. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Article I, Section 7 of these Amended and Restated Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (a) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law as it presently exists or may hereafter be amended, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (c) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

SECTION 10. **Removal of Director**. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or Section 11 of this Article I, and subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, the stockholders holding a majority of the shares then entitled to vote at an election of directors, acting at a duly called annual meeting or a duly called special meeting of the stockholders (including the Special Election Meeting), at which there is a proper quorum and where notice has been provided in accordance with Section 7 of this Article I, may remove a director or directors of the Corporation with or without cause. Vacancies in the Board of Directors resulting from such removal shall be filled in accordance with Section 12 of Article II.

SECTION 11. **Special Election Meeting**.

(a) General. If either a registration statement (the "Registration Statement") registering the resale of the Registrable Shares (as defined below) contemplated by the Registration Rights Agreement to be entered into by and among the Corporation, FBR Capital Markets & Co. and the other investors named therein related to the private placement by the Corporation of shares of its Common Stock (the "Registration Right Agreement") has not been declared effective by the Securities and Exchange Commission or the Common Stock has not become listed on a national securities exchange, (1) in each case prior to the later of (A) one hundred eighty (180) days after the filing of the Registration Statement or (B) forty-five (45) days after the Spectrum Closing Date (as defined below) or (2) if the Corporation completes its initial public offering pursuant to an IPO Registration Statement (as defined below) prior to the date described in clause (1) above, on a date that is sixty (60) days after the completion of such initial public offering (each, a "Trigger Date"), a special meeting of stockholders (the "Special Election Meeting") will be called by the Corporation's Board of Directors in accordance with this provisions of this Article I. The Special Election Meeting shall occur as soon as possible following the Trigger Date but in no event more than thirty (30) days after the Trigger Date. Notwithstanding the foregoing, the holders of a majority of the outstanding Registrable Shares may thereafter waive the requirement to hold the Special Election Meeting.

(b) Purposes of Meeting. The Special Election Meeting shall be called solely for the purposes of: (1) considering and voting upon proposals to remove each then-serving director of the Corporation; and (2) electing such number of directors as there are then vacancies on the Board of Directors, including any vacancies created pursuant to this Section 11. The removal of any director pursuant to this Section 11 shall be effective immediately upon the receipt of the final report by the Chairman of the meeting of the result of the vote on the proposal to remove any such director. The vote required to remove one or more directors at the Special Election Meeting shall be governed by Section 10 of this Article I and the filling of any vacancies resulting from a removal of directors at the Special Election Meeting shall be governed by Section 12 of Article II.

(c) Nominations. Nominations of individuals for election to the Board of Directors at the Special Election Meeting may only be made (1) by or at the direction of the Board of Directors or (2) upon receipt by the Corporation of a written notice of any holder or holders of shares of Common Stock entitled to cast, or direct the casting of, at least 20% of all the votes entitled to be cast at the Special Election Meeting (the "Holders") and containing the information specified by Section 11(d). Each individual whose nomination is made in accordance with this Section 11(c) is hereinafter referred to as a "Nominee."

(d) Procedure for Stockholder Nominations. For nominations of individuals for election to the Board of Directors to be properly brought before the Special Election Meeting pursuant to this Section 11(c), the Holders must have given notice thereof in writing to the Secretary of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth (10th) calendar day after the Trigger Date. Such notice shall include each such proposed Nominee's written consent to serve as a director, if elected, and shall specify, in addition to any other information required by Sections 7 and 9 of Article I:

(1) as to each proposed Nominee, the name, age, business address and residence address of such proposed Nominee and all other information relating to such proposed Nominee that would be required, pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (or any successor provision) (the "Exchange Act"), to be disclosed in a contested solicitation of proxies with respect to the election of such individual as a director; and

(2) as to each Holder giving the notice, the class, series and number of all shares of Common Stock that are owned by such Holder, beneficially or of record and any agreements, arrangements, understandings or relationships between the Holder and the proposed Nominee.

(e) Notice. Not less than fifteen (15) nor more than twenty-five (25) days before the Special Election Meeting, the Secretary of the Corporation shall give to each stockholder entitled to vote at, or to receive notice of, such Special Election Meeting at such stockholder's address as it appears in the records of the Corporation, notice in writing setting forth (1) the time and place of the Special Election Meeting, (2) the purposes for which the Special Election Meeting has been called and (3) the name of each Nominee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the records of the Corporation. If notice is given by electronic transmission such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware.

(f) Removal. This Section 11 may be amended by resolution adopted by a majority of the Board of Directors without the assent or vote of the stockholders of the Corporation only where (1) a Special Election Meeting has been called and held in accordance with the provisions of this Section 11 or (2) a registration statement relating to the Common Stock has been declared effective and the Common Stock has become listed on a national securities exchange.

(g) Definitions. For purposes of this Section 11, the following terms shall have the following meaning:

(1) "Registrable Shares" shall the meaning assigned to such term in the Registration Rights Agreement.

(2) "Spectrum Closing Date" small mean the date of closing of the transactions contemplated by the Asset Purchase Agreement, dated May 13, 2014, by and among FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc., each a wholly-owned indirect subsidiary of Sprint Corporation, and the Corporation.

SECTION 12. **Stockholder Action by Written Consent**.

(a) Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be

signed by the holders of record of all of the issued and outstanding capital stock of the Corporation authorized by law or by this Amended and Restated Certificate of Incorporation to vote on such action, and such writing or writings are filed with the permanent records of the Corporation.

(c) Revocation. Any stockholder giving a written consent, or the stockholder's proxyholders, or a transferee of the shares or a personal representative of the stockholder or their respective proxyholders, may revoke the consent by a writing received by the corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the corporation.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. **General Powers**. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors. In addition to the powers and authorities by these Amended and Restated Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Amended and Restated Certificate of Incorporation or by these Amended and Restated Bylaws required to be exercised or done by the stockholders.

SECTION 2. **Qualification; Number; Term; Remuneration**.

(a) Each director shall be at least 18 years of age. A director need not be a stockholder, a citizen of the United States, or a resident of the State of Delaware. The total number of directors that the Corporation would have if there were no vacancies (the "Whole Board") shall be fixed from time to time exclusively by action of the Board of Directors, one of whom may be selected by the Board of Directors to be its Chairman.

(b) Subject to the rights of the holders of any series of Preferred Stock then outstanding, directors shall be elected at each annual meeting of stockholders. Notwithstanding the foregoing sentence, each director shall hold office until such director's successor is duly elected and qualified, or until such director's earlier death, incapacity, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and Directors who are not employees of the Corporation may be paid a fixed sum for attendance at each meeting of the Board of Directors, an annual retainer and issued or granted equity or equity-based incentive awards. No such compensation shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for committee service.

SECTION 3. **Quorum and Manner of Voting**. Except as otherwise provided by law or in these Amended and Restated Bylaws, a majority of the Whole Board shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 4. **Places of Meetings**. Meetings of the Board of Directors may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

SECTION 5. **Regular Meetings**. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time by resolution determine. Notice need not be given of regular meetings of the Board of Directors held at times and places fixed by resolution of the Board of Directors.

SECTION 6. **Special Meetings**. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, Presiding Director, Chief Executive Officer or by a majority of the directors then in office.

SECTION 7. **Notice of Meetings**. A notice of the place, date and time and the purpose or purposes of each special meeting of the Board of Directors shall be given to each director by mail, personal delivery, electronic transmission or telephone at least two (2) days before the day of the meeting. Notice shall be deemed to be given at the time of mailing, but the said two (2) days' notice need not be given to any director who consents in writing, whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to him.

SECTION 8. **Chairman of the Board**. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation, or in Section 9 of this Article II, the Chairman of the Board of Directors, if there be one, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be assigned by the Board of Directors.

SECTION 9. **Presiding Director**. If at any time the Chairman of the Board shall be an executive officer or former executive officer of the Corporation or for any reason shall not be an independent director, a Presiding Director shall be selected by the independent directors from among the directors who are not executive officers or former executive officers of the Corporation and are otherwise independent. If the Chairman of the Board of Directors is not present, the Presiding Director shall chair meetings of the Board of Directors. The Presiding Director shall chair any meeting of the independent Directors and shall also perform such other duties as may be assigned to the Presiding Director by these Amended and Restated Bylaws or the Board of Directors.

SECTION 10. **Organization**. At all meetings of the Board of Directors, the Chairman, or if none or in the Chairman's absence or inability to act the Presiding Director, or if none or in the Presiding Director's absence or inability to act, the Chief Executive Officer, or in the Chief Executive Officer's absence or inability to act any Vice-President who is a member of the Board of Directors, or if none, or in such Vice-President's absence or inability to act a chairman chosen by the directors, shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board of Directors when present, and, in the Secretary's absence, the presiding officer may appoint any person to act as secretary.

SECTION 11. **Resignation**. Any director may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the Chief Executive Officer or Secretary, unless otherwise specified in the resignation.

SECTION 12. **Vacancies**. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation or other cause (including removal from office by a vote of the stockholders) may be filled only by (i) a majority vote of the Whole Board, though less than a quorum, or by the sole remaining director or (ii) the stockholders holding a majority of the voting power of all of the then outstanding shares of capital stock of the Corporation authorized by law or by the Certificate of Incorporation to vote on such action at a duly called annual meeting or a duly called special meeting of stockholders (including the Special Election Meeting). The directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders, and until their respective successors are elected, except in the case of the death, incapacity, resignation or removal of any director.

SECTION 13. **Conference Telephone Meetings**. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 14. **Action by Written Consent**. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing (which may be provided by electronic transmission), and such writing or writings are filed with the minutes of proceedings of the Board of Directors.

ARTICLE III

COMMITTEES

SECTION 1. **Appointment**. From time to time the Board of Directors by a resolution adopted by a majority of the Whole Board may appoint any committee or committees for any purpose or purposes, to the extent lawful, which shall have powers as shall be determined and specified by the Board of Directors in the resolution of appointment. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board from

appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

SECTION 2. **Procedures, Quorum and Manner of Acting**. Each committee shall fix its own rules of procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a committee shall constitute a quorum for the transaction of business by that committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the committee present shall be the act of the committee. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep minutes of its proceedings, and actions taken by a committee shall be reported to the Board of Directors.

SECTION 3. **Action by Written Consent**. Any action required or permitted to be taken at any meeting of any committee of the Board of Directors may be taken without a meeting if all the members of the committee consent thereto in writing (which may be provided by electronic transmission), and such writing or writings are filed with the minutes of proceedings of the committee.

SECTION 4. **Term; Termination**. In the event any person shall cease to be a director of the Corporation, such person shall simultaneously therewith cease to be a member of any committee appointed by the Board of Directors.

ARTICLE IV

OFFICERS

SECTION 1. **Election and Qualifications**. The Board of Directors shall elect the officers of the Corporation, which shall include a Chief Executive Officer and a Secretary, and may include, by election or appointment, one or more Vice-Presidents (any one or more of whom may be given an additional designation of rank or function), a Treasurer and such other officers as the Board may from time to time deem proper. Each officer shall have such powers and duties as may be prescribed by these Amended and Restated Bylaws and as may be assigned by the Board of Directors or the Chief Executive Officer. Any two or more offices may be held by the same person.

SECTION 2. **Term of Office and Remuneration**. The term of office of all officers shall be one year and until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the Corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

SECTION 3. **Resignation; Removal**. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the Chief Executive Officer or Secretary, unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by vote of a majority of the Whole Board.

SECTION 4. **Chief Executive Officer**. The Chief Executive Officer shall have such duties as customarily pertain to that office. The Chief Executive Officer shall have general management and supervision of the property, business and affairs of the Corporation and over its other officers; may appoint and remove assistant officers and other agents and employees, other than officers referred to in Section 1 of this Article IV; and may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments.

SECTION 5. **Vice-President**. A Vice-President may execute and deliver in the name of the Corporation contracts and other obligations and instruments pertaining to the regular course of the duties of said office, and shall have such other authority as from time to time may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 6. **Treasurer**. The Treasurer shall in general have all duties incident to the position of Treasurer and such other duties as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 7. **Secretary**. The Secretary shall in general have all the duties incident to the office of Secretary and such other duties as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 8. **Assistant Officers**. Any assistant officer shall have such powers and duties of the officer such assistant officer assists as such officer or the Board of Directors shall from time to time prescribe.

ARTICLE V

BOOKS AND RECORDS

SECTION 1. **Location**. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary and by such officer or agent as shall be designated by the Board of Directors.

SECTION 2. **Addresses of Stockholders**. Notices of meetings and all other corporate notices may be delivered (a) personally or mailed to each stockholder at the stockholder's address as it appears on the records of the Corporation, or (b) any other method permitted by applicable law and rules and regulations of the Securities and Exchange Commission as they presently exist or may hereafter be amended.

SECTION 3. **Fixing Date for Determination of Stockholders of Record**.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this State, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by this chapter, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

STOCK

SECTION 1. **Stock; Signatures**. Shares of the Corporation's stock may be evidenced by certificates for shares of stock or may be issued in uncertificated form in accordance with applicable law as it presently exists or may hereafter be amended. The Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution or the issuance of shares in uncertificated form shall not affect shares already represented by a certificate until such certificate is surrendered to the Corporation. Every holder of shares of stock in the Corporation that is represented by certificates shall be entitled to have a certificate certifying the number of shares owned by him in the Corporation and registered in certificated form. Stock certificates shall be signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, or the Chief Executive Officer or Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the shares represented by certificated or uncertificated shares, with the number of such shares and the date of issue, shall be entered on the books of the Corporation.

SECTION 2. **Transfers of Stock**. Transfers of shares of stock of the Corporation shall be made on the books of the Corporation after receipt of a request with proper evidence of succession, assignation, or authority to transfer by the record holder of such stock, or by an attorney lawfully constituted in writing, and in the case of stock represented by a certificate, upon surrender of the certificate. Subject to the foregoing, the Board of Directors may make such rules and regulations as it shall deem necessary or appropriate concerning the issue, transfer and registration of shares of stock of the Corporation, and to appoint and remove transfer agents and registrars of transfers.

SECTION 3. **Fractional Shares**. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a stockholder except as therein provided.

SECTION 4. **Lost, Stolen or Destroyed Certificates**. The Corporation may issue a new certificate of stock or uncertificated shares in place of any certificate, theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed certificate, or his legal representative, to give the

Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate or uncertificated shares.

ARTICLE VII

DIVIDENDS

Subject always to the provisions of law and the Amended and Restated Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE VIII

RATIFICATION

Any transaction, questioned in any law suit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or stockholder, non disclosure, miscomputation, or the application of improper principles or practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the stockholders, and if so ratified shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE IX

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation and the year of its incorporation, and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The corporate seal may be used by printing, engraving, lithographing, stamping or otherwise making, placing or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed, upon any paper or document, by any process whatsoever, an impression, facsimile or other reproduction of said corporate seal.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors.

ARTICLE XI

WAIVER OF NOTICE

Whenever notice is required to be given by these Amended and Restated Bylaws or by the Amended and Restated Certificate of Incorporation or by law, the person or persons entitled to said notice may consent in writing, whether before or after the time stated therein, to waive such notice requirement. Notice shall also be deemed waived by any person who attends a meeting without protesting prior thereto or at its commencement, the lack of notice to him.

ARTICLE XII

BANK ACCOUNTS, DRAFTS, CONTRACTS, ETC.

SECTION 1. **Bank Accounts and Drafts**. In addition to such bank accounts as may be authorized by the Board of Directors, the primary financial officer or any person designated by said primary financial officer, whether or not an employee of the Corporation, may authorize such bank accounts to be opened or maintained in the name and on behalf of the Corporation as he may deem necessary or appropriate, payments from such bank accounts to be made upon and according to the check of the Corporation in accordance with the written instructions of said primary financial officer, or other person so designated by the Treasurer.

SECTION 2. **Contracts**. The Board of Directors may authorize any person or persons, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 3. **Proxies; Powers of Attorney; Other Instruments**. The Chairman, the Chief Executive Officer or any other person designated by either of them shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the rights and powers incident to the ownership of stock by the Corporation. The Chairman, the Chief Executive Officer or any other person authorized by proxy or power of attorney executed and delivered by either of them on behalf of the Corporation may attend and vote at any meeting of stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, or otherwise as specified in the proxy or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any other person.

SECTION 4. **Financial Reports**. The Board of Directors may appoint the primary financial officer or other fiscal officer or any other officer to cause to be prepared and furnished to stockholders entitled thereto any special financial notice and/or financial statement, as the case may be, which may be required by any provision of law.

ARTICLE XIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 1. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), any person (a "Covered Person") who was or is a party or is threatened to be made a party to, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature (a "proceeding"), by reason of the fact that such Covered Person, or a person for whom he or she is the legal representative, is or was, at any time during which these Amended and Restated Bylaws are in effect (whether or not such Covered Person continues to serve in such capacity at the time any indemnification or payment of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), a director or officer of the Corporation, or has or had agreed to become a director of the Corporation, or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation, limited liability company, partnership, joint venture, employee benefit plan, trust, nonprofit entity or other enterprise, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, against all liability and loss suffered (including, without limitation, any judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) and expenses (including attorneys' fees), actually and reasonably incurred by such Covered Person in connection with such proceeding to the fullest extent permitted by law, and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators, and the Corporation may enter into agreements with any such person for the purpose of providing for such indemnification. Except as provided in Section 3 of this Article XIII, the Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article XIII shall include the right to be paid by the Corporation the expenses (including attorneys' fees) incurred by a Covered Person in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within sixty (60) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time (and subject to filing a written request for indemnification pursuant to Section 2 of this Article XIII); provided, however, the payment

of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon receipt of an undertaking by or on behalf of the Covered Person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that the Covered Person is not entitled to be indemnified by the Corporation for such expenses under this Article XIII or otherwise. The rights conferred upon Covered Persons in this Article XIII shall be contract rights that vest at the time of such person's service to or at the request of the Corporation and such rights shall continue as to a Covered Person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

SECTION 2. To obtain indemnification under this Article XIII, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 2 of Article XIII, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (a) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (b) if no request is made by the claimant for a determination by Independent Counsel, (1) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (2) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (3) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within two (2) years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change in Control" as defined in Pacific DataVision, Inc. 2014 Stock Plan, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within sixty (60) days after such determination.

SECTION 3. If a claim for indemnification under Section 1 of this Article XIII is not paid in full within sixty (60) days after a written claim pursuant to Section 2 of this Article XIII has been received by the Corporation, the claimant may at any time thereafter file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including

its Board of Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

SECTION 4. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred on any Covered Person by this Article XIII (a) shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of these Amended and Restated Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise and (b) cannot be terminated by the Corporation, the Board of Directors or the stockholders of the Corporation with respect to a Covered Person's service occurring prior to the date of such termination. However, notwithstanding the foregoing, the Corporation's obligation to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person has collected as indemnification from such other corporation, limited liability company, partnership, joint venture, trust, nonprofit entity, or other enterprise; and, in the event the Corporation has fully paid such expenses, the Covered Person shall return to the Corporation any amounts subsequently received from such other source of indemnification.

SECTION 5. Any repeal, amendment, alteration or modification of the provisions of this Article XIII that in any way diminishes, limits, restricts, adversely affects or eliminates any right of an indemnitee or his or her successors to indemnification, advancement of expenses or otherwise shall be prospective only and shall not in any way diminish, limit, restrict, adversely affect or eliminate any such right with respect to any actual or alleged state of facts, occurrence, action or omission then or previously existing, or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such actual or alleged state of facts, occurrence, action or omission.

SECTION 6. This Article XIII shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and advance expenses to persons other than Covered Persons when and as authorized by the Board of Directors.

SECTION 7. If any provision or provisions of this Article XIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article XIII (including, without limitation, each portion of any paragraph of this Article XIII containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article XIII (including, without limitation, each such portion of any paragraph of this Article XIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 8. For purposes of this Article XIII:

(1) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(2) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Article XIII.

SECTION 9. Any notice, request or other communication required or permitted to be given to the Corporation under this Article XIII shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE XIV

AMENDMENTS

The Board of Directors shall have power to adopt, amend or repeal these Amended and Restated Bylaws. The stockholders of the Corporation shall have the power to adopt, amend or repeal these Amended and Restated Bylaws at a duly called meeting of the stockholders; provided that notice of the proposed adoption, amendment or repeal was given in the notice of the meeting; provided, further, that, notwithstanding any other provisions of these Amended and Restated Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, Sections 5, 7, 8, 9 and 10 of Article I, Sections 2 and 12 of Article II, Article XIII and this Article XIV of these Amended and Restated Bylaws may not be amended or repealed by the stockholders of the Corporation without the affirmative vote of the holders of no less than 66 ⅔% of the issued and outstanding shares of the capital stock of the Corporation entitled to vote on such action.

EXHIBIT 4.2

Execution Version

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "*Agreement"*) is made and entered into as of June 10, 2014, between Pacific DataVision, Inc., a Delaware corporation (together with any successor entity thereto, the "*Company"*), the Management Holders set forth on the signature page hereto and FBR Capital Markets & Co., a Delaware corporation, as the initial purchaser/placement agent ("FBR") for the benefit of FBR, the purchasers of the Company's common stock, $0.0001 par value per share (the "*Common Stock"*), as participants ("*Participants*") in the private placement by the Company of shares of its Common Stock contemplated by the Purchase/Placement Agreement described below, and the direct and indirect transferees of FBR, and each of the Participants.

This Agreement is made pursuant to the Purchase/Placement Agreement (the "*Purchase/Placement Agreement*"), dated as of June 3, 2014 between the Company and FBR in connection with the purchase and sale or placement of an aggregate of 9,500,000 shares of Common Stock (plus an additional 1,425,000 shares of Common Stock to cover additional allotments, if any). In order to induce FBR to enter into the Purchase/Placement Agreement, the Company has agreed to provide the registration rights provided for in this Agreement to FBR, the Participants, and their respective direct and indirect transferees. The execution and delivery of this Agreement is a condition to the closing of the transactions contemplated by the Purchase/Placement Agreement.

The parties hereby agree as follows:

1. ***Definitions***

As used in this Agreement, the following terms shall have the following meanings:

Accredited Investor Shares: Shares initially sold by the Company to "accredited investors" (within the meaning of Rule 501(a) promulgated under the Securities Act) as Participants pursuant to the Purchase/Placement Agreement.

Affiliate: As to any specified Person, (i) any Person directly or indirectly owning, controlling or holding, with power to vote, ten percent or more of the outstanding voting securities of such other Person, (ii) any Person, ten percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held, with power to vote, by such other Person, (iii) any Person directly or indirectly controlling, controlled by or under common control with such other Person, (iv) any executive officer, director, trustee or general partner of such Person and (v) any legal entity for which such Person acts as an executive officer, director, trustee or general partner. An indirect relationship shall include circumstances in which a Person's spouse, child, parent, sibling or mother, father, sister- or brother-in-law shares the same household with such Person or has the described relationship with such Person.

Agreement: As defined in the preamble hereof.

Board of Directors: As defined in Section 3(b) hereof.

Business Day: With respect to any act to be performed hereunder, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York or other applicable places where such act is to occur are authorized or obligated by applicable law, regulation or executive order to close.

Closing Date: June 10, 2014 or such other time or such other date as FBR and the Company may agree.

Commission: The Securities and Exchange Commission.

Common Stock: As defined in the preamble hereof.

Company: As defined in the preamble hereof.

Controlling Person: As defined in Section 7(a) hereof.

End of Suspension Notice: As defined in Section 6(b) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

FBR: As defined in the preamble hereof.

FINRA: The Financial Industry Regulatory Authority, formerly the National Association of Securities Dealers, Inc.

First Registration Default: As defined in Section 2(f)(i) hereof.

Holder: Each record owner of any Registrable Shares from time to time, including FBR and its Affiliates to the extent FBR or any such Affiliate holds any Registrable Shares.

Indemnified Party: As defined in Section 7(c) hereof.

Indemnifying Party: As defined in Section 7(c) hereof.

IPO Registration Statement: As defined in Section 2(b) hereof.

Issuer Free Writing Prospectus: As defined in Section 2(c) hereof.

JOBS Act: The Jumpstart Our Business Startups Act, as amended, and the rules and regulations promulgated by the Commission thereunder.

Liabilities: As defined in Section 7(a) hereof.

Management Holders: The record owners of any Management Shares from time to time, which as of the date hereof are Brian McAuley, Morgan O'Brien, John Pescatore, Frank Creede, Richard Rohmann, Andrew Daskalakis, Peter Schiff and John C. Sites.

Management Shares: All shares of Common Stock that are issued and outstanding and held by the Management Holders as of the date hereof, including upon the direct or indirect transfer thereof by the original holder, the equity holder of a Management Holder (or the issuance of any securities or ownership interest in a Management Holder) or any subsequent holder thereof and any shares or other securities issued in respect of such Management Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Management Shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Stock.

No Objections Letter: As defined in Section 5(t) hereof.

Nominee: As defined in Section 3(c) hereof.

Participants: As defined in the preamble hereof.

Person: An individual, partnership, corporation, limited liability company, trust, unincorporated organization, government or agency or political subdivision thereof, or any other legal entity.

Proceeding: An action (including a class action), claim, suit or proceeding (including without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or, to the knowledge of the Person subject thereto, threatened.

Prospectus: The prospectus included in any Registration Statement, including any preliminary prospectus at the "time of sale" within the meaning of Rule 159 under the Securities Act and all other amendments and supplements to any such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such prospectus.

Purchase/Placement Agreement: As defined in the preamble hereof.

Purchaser Indemnitee: As defined in Section 7(a) hereof.

Registrable Shares: The Rule 144A Shares, the Accredited Investor Shares, the Regulation S Shares, upon original issuance thereof, and at all times subsequent thereto, including upon the transfer thereof by the original holder or any subsequent holder and any shares or other securities issued in respect of such Registrable Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Stock, until, in the case of any such Rule 144A Share, Accredited Investor Share or Regulation S Share,

the earliest to occur of (i) the date on which the resale of such share has been registered pursuant to the Securities Act and such share has been disposed of in accordance with the Registration Statement filed in connection therewith, (ii) the date on which such share either has been transferred pursuant to Rule 144 (or any similar provision then in effect) or are freely saleable, without condition pursuant to Rule 144, including any current public information requirements, and are listed for trading on the New York Stock Exchange, the Nasdaq Global Market or a similar national securities exchange, or (iii) the date on which it is sold to the Company or ceases to be outstanding.

Registration Default: As defined in Section 2(f)(ii) hereof.

Registration Expenses: Any and all fees and expenses incident to the Company's and FBR's performance of or compliance with this Agreement, including, without limitation. (i) all Commission, securities exchange, FINRA or other registration, listing, inclusion and filing fees; (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Shares and the preparation of a blue sky memorandum and compliance with the rules of FINRA); (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement; (iv) all fees and expenses incurred in connection with the listing or inclusion of any of the Registrable Shares on any securities exchange pursuant to Section 5(n) of this Agreement; (v) the fees and disbursements of counsel for the Company and of the independent registered public accounting firm of the Company (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to the performance of this Agreement); (vi) reasonable fees and disbursements of Sidley Austin LLP, or one such other nationally- recognized securities law counsel, reasonably acceptable to the Company and FBR, if Sidley Austin LLP is unable or unwilling to serve in such capacity, for the Holders (such counsel, "Selling Holders" Counsel");provided, however, that Holders holding a majority of the Registrable Shares (or, in the case of an Underwritten Offering in which Holders elect to sell Registrable Shares, Holders holding a majority of the Registrable Shares held by the Holders who have elected to sell Registrable Shares in such Underwritten Offering) may object to the appointment of Sidley Austin LLP or such other nationally-recognized securities law counsel as Selling Holders' Counsel and appoint a new Selling Holders' Counsel; provided, further, that if Holders electing to sell Registrable Shares in an Underwritten Offering object to the appointment of Sidley Austin LLP or such other nationally-recognized securities law counsel as Selling Holders' Counsel and appoint a new Selling Holders' Counsel, provided, however, that in any event the maximum fees paid to Selling Holders' Counsel shall be $50,000, such objection and appointment shall only be applicable to such Underwritten Offering; and (vii) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); provided, however, that Registration Expenses shall exclude brokers' or underwriters' discounts and commissions, if any, relating to the sale or disposition of Registrable Shares by a Holder.

Registration Statement: Any registration statement of the Company filed or confidentially submitted with the Commission under the Securities Act that covers the resale of Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

Regulation S: Regulation S (Rules 901-905) promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "non-U.S. persons" (in accordance with Regulation S) in an "offshore transaction" (in accordance with Regulation S).

Rule 144: Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A: Rule 144A promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "qualified institutional buyers" (as such term is defined in Rule 144A).

Rule 158: Rule 158 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 159: Rule 159 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 405: Rule 405 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 415: Rule 415 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 424: Rule 424 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 429: Rule 429 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 433: Rule 433 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Second Registration Default: As defined in Section 2(f)(ii) hereof.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Selling Holders' Counsel: As defined in clause (vi) of the definition of Registration Expenses.

Shares: The shares of Common Stock being offered and sold pursuant to the terms and conditions of the Purchase/Placement Agreement.

Shelf Registration Statement: As defined in Section 2(a) hereof.

Special Election Meeting: As defined in Section 3(a) hereof.

Spectrum Closing Date: The date of closing of the transactions contemplated by the Asset Purchase Agreement, dated May 13, 2014, by and among FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc., each a wholly-owned indirect subsidiary of Sprint Corporation, and the Company.

Suspension Event: As defined in Section 6(b) hereof.

Suspension Notice: As defined in Section 6(b) hereof.

Trigger Date: As defined in Section 3(a) hereof.

Underwritten Offering: A sale of securities of the Company to an underwriter or underwriters for re-offering to the public.

2. *Registration Rights*.

(a) *Mandatory Shelf Registration.* As set forth in Section 5 hereof, the Company agrees to file with the Commission as soon as reasonably practicable following the date of this Agreement (but in no event later than sixty (60) days after the Closing Date) a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to the Company providing for the resale of any Registrable Shares pursuant to Rule 415 from time to time by the Holders (a "*Shelf Registration Statement*"). The Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable after the initial filing thereof. Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any method or

combination of methods legally available (including, without limitation, an Underwritten Offering, a direct sale to purchasers or a sale through brokers or agents, which may include sales over the internet) by the Holders of any and all Registrable Shares.

(b) *IPO Registration.* If the Company proposes to file a registration statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of shares of Common Stock (the "*IPO Registration Statement*"), the Company will notify in writing each Holder of the filing before (but no earlier than ten (10) Business Days before) or within five (5) Business Days after the initial filing and afford each Holder an opportunity to include in the IPO Registration Statement all or any part of the Registrable Shares then held by such Holder. Each Holder desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Holder shall, within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Shares such Holder wishes to include in the IPO Registration Statement subject to Section 2(d) hereof. Any election by any Holder to include any Registrable Shares in the IPO Registration Statement will not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement.

(i) *Right to Terminate IPO Registration.* The Company shall have the right to terminate or withdraw the IPO Registration Statement initiated by it and referred to in this Section 2(b) prior to the effectiveness of the IPO Registration Statement whether or not any Holder has elected to include Registrable Shares in such registration; *provided, however*, that the Company must provide each Holder that elected to include any Registrable Shares in the IPO Registration Statement prompt written notice of such termination or withdrawal. Furthermore, in the event the IPO Registration Statement is not declared effective within one hundred twenty (120) days following the initial filing of the IPO Registration Statement, unless a road show for the Underwritten Offering pursuant to the IPO Registration Statement is actually in progress at such time, the Company shall promptly provide a new written notice to all Holders giving them another opportunity to elect to include Registrable Shares in the pending IPO Registration Statement. Each Holder receiving such notice shall have the same election rights afforded such Holder as described in clause (b) above.

(ii) *Selection of Underwriter.* Subject to the terms and conditions set forth in that certain engagement letter, dated April 30, 2014, by and between FBR and the Company, and any rights of FBR set forth therein, the Company shall have the sole right to select the managing underwriter(s) for its initial public offering, regardless of whether any Registrable Shares are included in the IPO Registration Statement or otherwise.

(iii) *Shelf Registration not Impacted by IPO Registration Statement.* The Company's obligation to file the Shelf Registration Statement pursuant to Section 2(a) hereof shall not be affected by the filing or effectiveness of the IPO Registration Statement. In addition, the Company's obligation to file and use its commercially reasonable efforts to cause to become and keep effective the Shelf Registration Statement pursuant to Section 2(a) hereof shall not be affected by the filing or effectiveness of an IPO Registration Statement; *provided, however*, that if the Company files an IPO

Registration Statement before the effective date of the Shelf Registration Statement and the Company has used or is using commercially reasonable efforts to pursue the completion of such initial public offering, the Company shall have the right to defer causing the Commission to declare such Shelf Registration Statement effective until up to sixty (60) days after the closing date of its initial public offering pursuant to the IPO Registration Statement. Notwithstanding any other provision in this Agreement to the contrary, if the Company files an IPO Registration Statement before the effective date of the Shelf Registration Statement and the deadline for causing such Shelf Registration Statement to go effective is after the sixty (60) day period beginning on the closing date of the Company's initial public offering pursuant to the IPO Registration Statement, the Company shall cause the Shelf Registration Statement to be declared effective no later than sixty (60) days after the closing date of the Company's initial public offering pursuant to the IPO Registration Statement.

(c) *Issuer Free Writing Prospectus*. The Company represents and agrees that, unless it obtains the prior consent of Holders of a majority of the Registrable Shares that are registered under a Registration Statement at such time or the consent of the managing underwriter in connection with any Underwritten Offering of Registrable Shares, and each Holder represents and agrees that, unless it obtains the prior consent of the Company and any such underwriter, it will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus," as defined in Rule 433 (an "*Issuer Free Writing Prospectus"*), or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. The Company represents that any Issuer Free Writing Prospectus will not include any information that conflicts with the information contained in any Registration Statement or the related Prospectus, and any Issuer Free Writing Prospectus, when taken together with the information in such Registration Statement and the related Prospectus, will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Underwriting*. The Company shall advise all Holders of the lead managing underwriter for the Underwritten Offering proposed under the IPO Registration Statement. The right of any such Holder's Registrable Shares to be included in the IPO Registration Statement pursuant to Section 2(b) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Shares in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, custody agreements, securities escrow agreements and other documents, including opinions of counsel, reasonably required under the terms of such underwriting, and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement; *provided, however*, that no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution and any other representation required by law or reasonably requested by the underwriters. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors

require a limitation on the number of shares to be included, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and the related Underwritten Offering, and any shares included in the IPO Registration Statement and the related Underwritten Offering shall be allocated *first*, to the Company, and second, to each of the Holders requesting inclusion of their Registrable Shares in the IPO Registration Statement (on a *pro rata* basis based on the total number of Registrable Shares then held by each such Holder who is requesting inclusion); *provided, however*, that the number of Registrable Shares to be included in the IPO Registration Statement shall not be reduced unless all other securities of the Company held by (i) officers, directors, other employees and consultants of the Company and (ii) other holders of the Company's capital stock with registration rights that are inferior (with respect to such reduction) to the registration rights of the Holders set forth herein, are first entirely excluded from the underwriting and registration; *provided, further*, *however*, that Holders of Registrable Shares shall be permitted to include Registrable Shares comprising at least 25% of the total securities included in the Underwritten Offering proposed under the IPO Registration Statement.

By electing to include the Registrable Shares in the IPO Registration Statement, the Holder of such Registrable Shares shall be deemed to have agreed not to effect any public sale or distribution of securities of the Company of the same or similar class or classes of the securities included in the IPO Registration Statement or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during such periods as reasonably requested (but in no event for a period longer than thirty (30) days prior to and one hundred eighty (180) days following the effective date of the IPO Registration Statement) by the representatives of the underwriters, if an Underwritten Offering, or by the Company in any other registration.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter(s), delivered by the later of (i) two (2) Business Days after the IPO price range is communicated by the Company to such Holder and (ii) ten (10) Business Days prior to the effective date of the IPO Registration Statement; *provided, however*, no Holder may elect to withdraw if, in the reasonable opinion of the Company's counsel and the Selling Holders' Counsel, such withdrawal would cause the Company to recirculate a preliminary prospectus. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(e) *Expenses*. The Company shall pay all Registration Expenses in connection with the registration of the Registrable Shares pursuant to this Agreement. Each Holder participating in a registration pursuant to this Section 2 shall bear such Holder's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers and all transfer taxes and transfer fees in connection with a registration of Registrable Shares pursuant to this Agreement and any other expense of the Holders not specifically allocated to the Company pursuant to this Agreement relating to the sale of disposition of such Holder's Registrable Shares pursuant to any Registration Statement.

(f) *Penalty Provisions.*

(i) If the Company does not file a Registration Statement registering the resale of the Registrable Shares within sixty (60) days after the Closing Date, other than as a result of the Commission being unable to accept such filings (a "*First Registration Default*"), then each of the Chief Executive Officer and Chief Financial Officer of the Company shall forfeit fifty percent (50%) of any amount that would otherwise be payable to such person in respect of a bonus plan or any other bonus arrangement, including any bonus compensation for which payment would otherwise be deferred until after that fiscal year, during the fiscal year ending March 31, 2015. The Company acknowledges and agrees that that no bonuses, compensation, awards, equity compensation or other amounts shall be payable or granted in lieu of or to make the Chief Executive Officer and Chief Financial Officer whole for any such forfeited bonuses.

(ii) upon the occurrence of a First Registration Default, if the Company does not file a Registration Statement registering the resale of the Registrable Shares within twenty-one (21) days after the occurrence of a First Registration Default, other than as a result of the Commission being unable to accept such filings (a "*Second Registration Default*" and, together with the First Registration Default, a "*Registration Default*"), then each of the Chief Executive Officer and Chief Financial Officer of the Company shall forfeit the remaining fifty percent (50%) of any amount that would otherwise be payable to such person in respect of a bonus plan or any other bonus arrangement, including any bonus compensation for which payment would otherwise be deferred until after that fiscal year, during the fiscal year ending March 31, 2015. The Company acknowledges and agrees that that no bonuses, compensation, awards, equity compensation or other amounts shall be payable or granted in lieu of or to make the Chief Executive Officer and Chief Financial Officer whole for any such forfeited bonuses.

(g) *Management Bonus for Timely Filing of Registration Statement*. If the Company files a Registration Statement registering the resale of the Registrable Shares within sixty (60) days after the Closing Date, then each of the Chief Executive Officer and Chief Financial Officer of the Company shall be paid a bonus by the Company in the amount of ten percent (10%) of such person's base salary during the fiscal year ending March 31, 2015.

(h) *JOBS ACT Submissions*. For purposes of this Agreement, if the Company elects to confidentially submit a draft of the Shelf Registration Statement with the Commission pursuant to the JOBS Act, the date on which the Company makes such confidential submission will be deemed the initial filing date of such Shelf Registration Statement.

3. ***Special Election Meeting.***

(a) Unless a Registration Statement registering the resale of the Registrable Shares has been declared effective by the Commission and the Registrable Shares have been listed for trading on a national securities exchange, (i) on a date that is the later of (x) one hundred eighty (180) days after the filing of such Registration Statement or (y) forty-five (45) days after the Spectrum Closing Date, or (ii) if the Company completes its initial public offering pursuant to the IPO Registration Statement prior to the date described in clause (i) above, on a date that is

sixty (60) days after the completion of such initial public offering (each, a "*Trigger Date*"), a special meeting of stockholders (the "*Special Election Meeting*") shall be called in accordance with the Bylaws of the Company. The Special Election Meeting shall occur as soon as possible following the Trigger Date but in no event more than thirty (30) days after the Trigger Date.

(b) *Purposes of Meeting*. The Special Election Meeting shall be called solely for the purposes of: (i) considering and voting upon proposals to remove each then-serving director of the Company; and (ii) electing such number of directors as there are then vacancies on the board of directors of the Company (the "*Board of Directors*") (including any vacancies created by the removal of any director pursuant to this Section 3(b)). The removal of any director pursuant to Section 3(b)(i) hereof shall be effective immediately upon the receipt of the final report of the Inspector of Elections for the Special Election Meeting of the result of the vote on the proposal to remove such director.

(c) *Nominations*. Nominations of individuals for election to the Board of Directors at the Special Election Meeting may only be made (i) by or at the direction of the Board of Directors or (ii) upon receipt by the Company of written notice of Holders entitled to cast, or direct the casting of, not less than 20% of all the votes entitled to be cast at the Special Election Meeting and containing the information specified by Section 3(d) hereof. Each individual whose nomination is made in accordance with this Section 3(c) is hereinafter referred to as a "Nominee".

(d) *Procedure for Stockholder Nominations*. For nominations of individuals for election to the Board of Directors to be properly brought before the Special Election Meeting by Holders pursuant to Section 3(c) hereof, the Holders must have given notice thereof in writing to the Secretary of the Company not later than 5:00 p.m., Eastern Time, on the 10th day after the Trigger Date. Such notice shall include each such proposed Nominee's written consent to serve as a director, if elected, and shall specify:

(i) as to each proposed Nominee, the name, age, business address and residence address of such proposed Nominee and all other information relating to such proposed Nominee that would be required, pursuant to Regulation 14A promulgated under the Exchange Act (or any successor provision), to be disclosed in a contested solicitation of proxies with respect to the election of such individual as a director; and

(ii) as to each Holder giving the notice, the class, series and number of all shares of beneficial interest of the Company that are owned by such Holder, beneficially or of record.

(e) *Notice*. Not less than fifteen (15) nor more than twenty-five (25) days before the Special Election Meeting, the Secretary of the Company shall give to each stockholder entitled to vote at, or to receive notice of, such meeting at such stockholder's address as it appears in the share transfer records of the Company, notice in writing setting forth (i) the time and place of the Special Election Meeting, (ii) the purposes for which the Special Election Meeting has been called and (iii) the name of each Nominee.

(f) *Vote of Management Shares*. If requested by FBR, the Management Holders shall vote all of the Management Shares in the removal or election of directors at the Special Election Meeting in the same proportion as the votes cast by the Holders of Registrable Shares who are voting at the Special Election Meeting. So long as any director who was elected to the Board of Directors of the Company at the Special Election Meeting continues to serve in such capacity as a director of the Company, the Management Holders shall not vote any of the Management Shares in favor of the removal of any such director, the expansion of the size of the Board of the Directors of the Company to create new vacancies or any other proposal, the effect of which is to undermine the intent and purpose of this Section 3, unless otherwise expressly consented to or requested by FBR, and the Management Holders shall not grant a proxy to vote any of the Management Shares to any other party (other than a designee of FBR) to vote on such matters.

(g) The Company represents and warrants that the Restated Certificate of Incorporation (the "*Certificate of Incorporation"*) and Amended and Restated Bylaws (the "*Bylaws*") of the Company reflect, and the Certificate of Incorporation, Bylaws and applicable law do not conflict with, the rights of Holders and the procedures for a Special Election Meeting set forth in this Section 3 and, so long as any Holder owns any Registrable Shares, agrees not to amend or modify the Certificate of Incorporation or Bylaws of the Company or take (or allow to be taken) any action that could cause the Certificate of Incorporation or Bylaws of the Company to be inconsistent or conflict with any such rights and procedures.

4. ***Rules 144 and 144A Reporting***.

With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration, the Company agrees to:

(a) make and keep current public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration statement under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) file with the Commission in a timely manner all reports and other documents required to be filed by the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) so long as a Holder owns any Registrable Shares, if the Company is not required to file reports and other documents under the Securities Act and the Exchange Act, it will make available other information as required by, and so long as necessary to permit sales of Registrable Shares pursuant to, Rule 144 or Rule 144A, and in any event shall make available (either by mailing a copy thereof, by posting on the Company's website, by inclusion in any registration statement filed by the Company with the Commission under the Securities Act and made publicly available, or by press release) to each Holder a copy of:

(i) the Company's annual consolidated financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in accordance with generally accepted accounting principles in the United States, accompanied by an audit report of the Company's independent accountants, no later than ninety (90) days after the end of each fiscal year of the Company;

(ii) the Company's unaudited quarterly financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in a manner consistent with the preparation of the Company's annual financial statements, no later than forty-five (45) days after the end of each of the first three fiscal quarters of the Company; and

(iii) any other information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act;

(d) hold, a reasonable time after the availability of such financial statements (and in any event within sixty (60) days after the applicable fiscal quarter end and ninety (90) days after the applicable fiscal year end) and upon reasonable notice to the Holders and FBR (either by mail, by posting on the Company's website, or by press release), a quarterly investor conference call to discuss such financial statements, which call will also include an opportunity for the Holders to ask questions of management with regard to such financial statements, and will also cooperate with, and make management reasonably available to, FBR personnel in connection with making Company information available to investors; and

(e) so long as a Holder owns any Registrable Shares, to furnish to the Holder promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to the reporting requirements of the Exchange Act), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company, and take such further actions, as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such Registrable Shares without registration.

5. ***Registration Procedures.***

In connection with the obligations of the Company with respect to any registration pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Registrable Shares under the Securities Act to permit the sale of such Registrable Shares by the Holder or Holders in accordance with the Holder's or Holders' intended method or methods of distribution, and the Company shall:

(a)(i) notify FBR and Selling Holders' Counsel, in writing, at least ten (10) Business Days prior to filing a Registration Statement, of its intention to file a Registration Statement with the Commission and, at least five (5) Business Days prior to filing, provide a copy of such

Registration Statement to FBR, its counsel and Selling Holders' Counsel for review and comment; (ii) prepare and file with the Commission, as specified in this Agreement, a Registration Statement(s), which Registration Statement(s) shall (x) comply as to form in all material respects with the requirements of the Securities Act and the applicable form and include all financial statements required by the Commission to be filed therewith and (y) be reasonably acceptable to FBR, its counsel and Selling Holders' Counsel; (iii) notify FBR and Selling Holders' Counsel in writing, at least five (5) Business Days prior to filing of any amendment or supplement to such Registration Statement and, at least three (3) Business Days prior to filing, provide a copy of such amendment or supplement to FBR, its counsel and Selling Holders' Counsel for review and comment; (iv) promptly following receipt from the Commission, provide to FBR, its counsel and Selling Holders' Counsel copies of any comments made by the staff of the Commission relating to such Registration Statement and of the Company's responses thereto for review and comment; and (v) use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing and to remain effective, subject to Section 6 hereof and any other provisions of this Agreement, until the earlier of (A) such time as all Registrable Shares covered thereby have been sold in accordance with the intended distribution of such Registrable Shares, (B) such time as all of the Registrable Shares are sold pursuant to Rule 144 (or any successor or analogous rule), (C) there are no Registrable Shares outstanding or (D) the first anniversary of the effective date of such Registration Statement (subject to extension as provided in Section 6(c) hereof) and, with respect to this subsection (D), *provided* that the Registrable Shares (1) have been transferred to an unrestricted CUSIP, (2) were, as of the effective date of such Registration Statement, listed or included on the New York Stock Exchange or the Nasdaq Global Market, pursuant to Section 5(n) of this Agreement, or on an alternative trading system, (3) were qualified under the applicable state securities or "blue sky" laws of all fifty (50) states, and (4) can be sold under Rule 144 without limitation as to manner of sale or volume; *provided, however*, that the Company shall not be required to cause the IPO Registration Statement to remain effective for any period longer than ninety (90) days following the effective date of the IPO Registration Statement (subject to extension as provided in Section 6(c) hereof); *provided, further*, that if the Company has an effective Shelf Registration Statement on Form S-1 (or other form then available to the Company) under the Securities Act and becomes eligible to use Form S-3 or such other short-form registration statement form under the Securities Act, the Company may, upon thirty (30) Business Days prior written notice to all Holders, register any Registrable Shares registered but not yet distributed under the effective Shelf Registration Statement on such a short-form Shelf Registration Statement and, once the short-form Shelf Registration Statement is declared effective, de-register such shares under the previous Shelf Registration Statement or transfer the filing fees from the previous Shelf Registration Statement (such transfer pursuant to Rule 429, if applicable) unless any Holder registered under the initial Shelf Registration Statement notifies the Company within fifteen (15) Business Days of receipt of the Company notice that such a registration under a new short-form Shelf Registration Statement and de-registration of the initial Shelf Registration Statement would interfere with its distribution of Registrable Shares already in progress, in which case, the Company shall delay the effectiveness of the new short-form Shelf Registration Statement and termination of the then-effective initial Shelf Registration Statement or any short- form Registration Statement for a period of not less than thirty (30) days from the date that the Company receives the notice from such Holders requesting a delay;

(b) subject to Section 5(i) hereof, (i) prepare and file with the Commission such amendments and post-effective amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period described in Section 5(a) hereof; (ii) cause each Prospectus contained therein to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 or any similar rule that may be adopted under the Securities Act; and (iii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) furnish to the Holders, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Shares; the Company consents, subject to Section 6 hereof, to the use of such Prospectus, including each preliminary Prospectus, by the Holders, if any, in connection with the offering and sale of the Registrable Shares covered by any such Prospectus;

(d) use its commercially reasonable efforts to register or qualify, or obtain exemption from registration or qualification for, all Registrable Shares by the time the applicable Registration Statement is declared effective by the Commission under all applicable state securities or "blue sky" laws of such United States jurisdictions as FBR or any Holder of Registrable Shares covered by a Registration Statement shall reasonably request in writing, keep each such registration or qualification or exemption effective during the period such Registration Statement is required to be kept effective pursuant to Section 5(a) and do any and all other acts and things that may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Shares owned by such Holder; *provided, however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 5(d) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Shares;

(f) (i) notify FBR and each Holder with Registrable Shares covered by a Registration Statement promptly and, if requested by FBR or any Holder, confirm such advice in writing (A) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (B) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any Proceeding for that purpose, (C) of any request by the Commission or any other federal, state or foreign governmental authority for (1) amendments or supplements to a Registration Statement or related Prospectus or (2) additional information and (D) of the happening of any event during the period a Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document

incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made); and (ii) at the request of any such Holder, promptly to furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchaser of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) use its commercially reasonable efforts to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending the qualification of (or exemption from qualification of) any of the Registrable Shares for sale in any jurisdiction, as promptly as practicable;

(h) upon request, promptly furnish to each requesting Holder of Registrable Shares covered by a Registration Statement, without charge, at least one conformed copy of such Registration Statement and any post-effective amendment or supplement thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(i) except as provided in Section 6 hereof, upon the occurrence of any event contemplated by Section 5(f)(i)(D) hereof, use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) if requested by the representative of the underwriters, if any, or any Holders of Registrable Shares being sold in connection with such offering, (i) as promptly as practicable incorporate in a Prospectus supplement or post-effective amendment such information as the representative of the underwriters, if any, or such Holders indicate in writing relates to them or that they reasonably request be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received written notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(k) in the case of an Underwritten Offering, use its commercially reasonable efforts to furnish to each Holder of Registrable Shares covered by such Registration Statement and the underwriters a signed counterpart, addressed to each such Holder and the underwriters, of: (i) an opinion of counsel for the Company, dated the date of each closing under the underwriting agreement, reasonably satisfactory to such Holder and the underwriters; and (ii) a “comfort” letter, dated the effective date of such Registration Statement and the date of each closing under the underwriting agreement, signed by the independent public accountants who have certified the Company’s financial statements included in such Registration Statement, covering substantially

the same matters with respect to such Registration Statement (and the Prospectus included therein) and with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other financial matters as such Holder and the underwriters may reasonably request;

(l) enter into customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form and reasonably satisfactory to the Company) and take all other reasonable action in connection therewith in order to expedite or facilitate the distribution of the Registrable Shares included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the Holders covered by such Registration Statement and to the underwriters in such form and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(m) use its commercially reasonable efforts to make available for inspection by representatives of the Holders and the representative of any underwriters participating in any disposition pursuant to a Registration Statement and any special counsel or accountants retained by such Holders or underwriters, all financial and other records, pertinent corporate documents and properties of the Company and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representatives, the representative of the underwriters, counsel thereto or accountants in connection with a Registration Statement; *provided, however*, that such records, documents or information that the Company determines, in good faith, to be confidential and notifies such representatives, representative of the underwriters, counsel thereto or accountants are confidential shall not be disclosed by such representatives, representative of the underwriters, counsel thereto or accountants unless (i) the disclosure of such records, documents or information is necessary to avoid or correct a misstatement or omission in a Registration Statement or Prospectus, (ii) the release of such records, documents or information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (iii) such records, documents or information have been generally made available to the public; *provided, further*, that the representatives of the Holders and any underwriters will use commercially reasonable efforts, to the extent practicable, to coordinate the foregoing inspection and information gathering and not materially disrupt the Company's business operations; *provided, further*, that, notwithstanding anything to the contrary in this Agreement, the Company shall not provide any material non-public information to any Holder without such Holder's prior written agreement to keep such information confidential;

(n) use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to list or include all Registrable Shares on the New York Stock Exchange or the Nasdaq Global Market;

(o) use its commercially reasonable efforts to prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 15(d) of the Exchange Act expires prior to the expiration of the effectiveness period of the Registration Statement as required by Section 5(a)

hereof, the Company shall register the Registrable Shares under the Exchange Act and shall maintain such registration through the effectiveness period required by Section 5(a) hereof;

(p) provide a CUSIP number for all Registrable Shares, not later than the effective date of the Registration Statement;

(q) (i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, (ii) make generally available to its stockholders, as soon as reasonably practicable, earnings statements covering at least twelve (12) months beginning after the effective date of the Registration Statement that satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, but in no event later than forty-five (45) days after the end of each fiscal year of the Company and (iii) not file any Registration Statement or Prospectus or amendment or supplement to such Registration Statement or Prospectus to which any Holder of Registrable Shares covered by any Registration Statement shall have, based upon the written opinion of counsel, reasonably objected on the grounds that such Registration Statement or Prospectus or amendment or supplement does not comply in all material respects with the requirements of the Securities Act, such Holder having been furnished with a copy thereof at least two (2) Business Days prior to the filing thereof;

(r) provide and cause to be maintained a registrar and transfer agent for all Registrable Shares covered by any Registration Statement from and after a date not later than the effective date of such Registration Statement;

(s) in connection with any sale or transfer of the Registrable Shares (whether or not pursuant to a Registration Statement) that will result in the securities being delivered no longer being Registrable Shares, cooperate with the Holders and the representative of the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold, which certificates shall not bear any restrictive transfer legends (other than as required by the Company's organizational documents) and to enable such Registrable Shares to be in such denominations and registered in such names as the representative of the underwriters, if any, or the Holders may request at least three (3) Business Days prior to any sale of the Registrable Shares;

(t) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, cooperate with FBR in connection with the filing with FINRA of all forms and information required or requested by FINRA in order to obtain written confirmation from FINRA that FINRA does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) (each such written confirmation, a "*No Objections Letter*") relating to the resale of Registrable Shares pursuant to the Shelf Registration Statement, including, without limitation, information provided to FINRA through its public offering system, and pay all costs, fees and expenses incident to FINRA's review of the Shelf Registration Statement and the related underwriting terms and arrangements, including, without limitation, all filing fees associated with any filings or submissions to FINRA and the legal expenses, filing fees and other disbursements of FBR and any other FINRA member that is the Holder of, or is affiliated or associated with an owner of, Registrable Shares included in the Shelf Registration Statement (including in connection with any initial or subsequent member filing);

(u) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, provide to FBR and its representatives, the opportunity to conduct due diligence, including, without limitation, an inquiry of the Company's financial and other records, and make available members of its management for questions regarding information which FBR may request in order to fulfill any due diligence obligation on its part and, concurrent with the initial filing of a Shelf Registration Statement with the Commission pursuant to Section 2(a) hereof, pay the sum of $37,500 to FBR, by wire transfer of immediately available funds, to cover FBR's costs and expenses associated with its due diligence review of the Shelf Registration Statement and the information contained therein;

(v) upon effectiveness of the first Registration Statement filed under this Agreement, take such actions and make such filings as are necessary to effect the registration of the Common Stock under the Exchange Act simultaneously with or immediately following the effectiveness of the Registration Statement; and

(w) in the case of an Underwritten Offering, use its commercially reasonable efforts to cooperate and assist in any filings required to be made with FINRA and in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter," if applicable) that is required to be retained in accordance with the rules and regulations of FINRA.

The Company may require the Holders to furnish (and each Holder shall furnish) to the Company such information regarding the proposed distribution by such Holder of such Registrable Shares as the Company may from time to time reasonably request in writing or as shall be required to effect the registration of the Registrable Shares, and no Holder shall be entitled to be named as a selling stockholder in any Registration Statement and no Holder shall be entitled to use the Prospectus forming a part thereof if such Holder does not provide such information to the Company. Any Holder that sells Registrable Shares pursuant to a Registration Statement or as a selling security holder pursuant to an Underwritten Offering shall be required to be named as a selling shareholder in the related prospectus and to deliver a prospectus to purchasers. Each Holder further agrees to furnish promptly to the Company in writing all information required from time to time to make the information previously furnished by such Holder not misleading.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5(f)(i)(C) or 5(f)(i)(D) hereof, such Holder will immediately discontinue disposition of Registrable Shares pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus. If so directed by the Company, such Holder will deliver to the Company (at the expense of the Company) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

6. ***Black-Out Period.***

(a) Subject to the provisions of this Section 6 and a good faith determination by a majority of the independent members of the Board of Directors that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any international, federal or state securities commissions), the Company, by written notice to FBR and the Holders, may direct the Holders to suspend sales of the Registrable Shares pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than an aggregate of ninety (90) days in any rolling twelve (12) month period commencing on the Closing Date or more than sixty (60) days in any rolling ninety (90) day period), if any of the following events shall occur: (i) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Shares pursuant to the Registration Statement would have a material adverse effect on the Company's primary Underwritten Offering; (ii) the majority of the independent members of the Board of Directors shall have determined in good faith that (A) the offer or sale of any Registrable Shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, merger, tender offer, business combination, corporate reorganization or other significant transaction involving the Company, (B) after the advice of counsel, the sale of Registrable Shares pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of such transaction, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis, as applicable; or (iii) the majority of the independent members of the Board of Directors shall have determined in good faith, after the advice of counsel, that it is required by law, rule or regulation or that it is in the best interests of the Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (1) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the Prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represent a fundamental change in the information set forth therein; or (3) including in the Prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use commercially reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Holders to resume sales of the Registrable Shares as soon as practicable.

(b) In the case of an event that causes the Company to suspend the use of a Registration Statement (a "*Suspension Event*"), the Company shall give written notice (a "*Suspension Notice*") to FBR and the Holders to suspend sales of the Registrable Shares and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing and the Company is using its best efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. The Holders shall not effect any sales of the Registrable Shares pursuant to such Registration Statement (or such filings) at any time after they have received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies other than permanent file copies then in such Holder's possession of the Prospectus covering the Registrable Shares at the time of receipt of the Suspension Notice. The Holders may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement (or such filings) following further notice to such effect (an "*End of Suspension Notice*") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and FBR in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(c) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 6, the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice and provide copies of the supplemented or amended Prospectus necessary to resume sales.

7. ***Indemnification and Contribution.***

(a) The Company agrees to indemnify and hold harmless (i) each Holder of Registrable Shares and any underwriter (as determined in the Securities Act) for such Holder (including, if applicable, FBR), (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a "*Controlling Person*"), and (iii) the respective officers, directors, partners, members, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) above may hereinafter be referred to as a "*Purchaser Indemnitee*"), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the "*Liabilities*"), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or Proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, directly or indirectly related to, based upon, arising out of or in connection with (x) with respect to any Registration Statement (or any amendment thereto), any untrue statement or alleged untrue statement of a material fact contained therein or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (y) with respect to any Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment

or supplement thereto) or any preliminary Prospectus or any other document used to sell the Shares, any untrue statement or alleged untrue statement of a material fact contained therein or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company, or any underwriter in writing by such Purchaser Indemnitee expressly for use therein. The Company shall notify the Holders promptly of the institution, threat or assertion of any claim, Proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement that involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) In connection with any Registration Statement in which a Holder of Registrable Shares is participating, and as a condition to such participation, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each Person who signs the Registration Statement, and each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and their respective officers, directors, partners, members, employees, representatives and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in strict conformity with information relating to such Holder furnished to the Company in writing by such Holder expressly for use in such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus. Absent gross negligence or willful misconduct, the liability of any Holder pursuant to this paragraph shall in no event exceed the net proceeds received by such Holder from sales of Registrable Shares pursuant to such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus.

(c) If any suit, action, Proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the "*Indemnified Party*") shall promptly notify the Person against whom such indemnity may be sought (the "*Indemnifying Party"*) in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 7, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such Proceeding and shall pay the reasonable fees and expenses actually incurred by such counsel related to such Proceeding. Notwithstanding the foregoing, in any such Proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall

have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, (iii) the Indemnifying Party and its counsel do not actively and vigorously pursue the defense of such action or (iv) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that, either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party; it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such Indemnified Parties, which firm shall be designated in writing by those Indemnified Parties who sold a majority of the Registrable Shares sold by all such Indemnified Parties and any such separate firm for the Company, the directors, the officers and such control Persons of the Company as shall be designated in writing by the Company). The Indemnifying Party shall not be liable for any settlement of any Proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened Proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (A) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding and (B) does not include a statement as to or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

(d) If the indemnification provided for in paragraphs (a) and (b) of this Section 7 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party on the one hand and any Indemnified Party(ies) on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or by such Indemnified Party(ies) and the

parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in Section 7(d) above. The amount paid or payable by an Indemnified Party as a result of any Liabilities referred to in Section 7(d) above shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which the net proceeds received by such Purchaser Indemnitee from sales of Registrable Shares exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 7, each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) FBR or a Holder of Registrable Shares shall have the same rights to contribution as FBR or such Holder, as the case may be, and each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or Proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 7 will be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Purchaser Indemnitee's obligations to contribute pursuant to this Section 7 are several in proportion to the respective number of Registrable Shares sold by each of the Purchaser Indemnitees hereunder and not joint.

8. ***Market Stand-off Agreement****.*

Each Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, directly or indirectly sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell (including without limitation any short sale), grant any option or otherwise transfer or dispose of any Registrable Shares or other shares of Common Stock of the Company or any securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company then owned by such Holder (other than to donees, partners, or other transferees of the Holder who agree to be similarly bound) for a period (x) in the case of the Company and each of its

officers, directors, managers or employees, in each case to the extent such person or entity holds shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock, beginning on the effective date of, and continuing for one hundred eighty (180) days following the effective date of, the IPO Registration Statement of the Company; and (y) (i) in the case of all Holders who include Registrable Shares in the IPO Registration Statement, including any officers and directors, beginning on the effective date of, and continuing for one hundred eighty (180) days following the effective date of the IPO Registration Statement of the Company, and (ii) in the case of all other Holders who do not include Registrable Shares in the IPO Registration Statement, beginning on the effective date of, and continuing for sixty (60) days following the effective date of, the IPO Registration Statement of the Company; *provided, however*, that:

(a) the restrictions above shall not apply to Registrable Shares sold pursuant to the IPO Registration Statement;

(b) with respect to the Holders (other than the Company's officers, directors, managers or employees), the restrictions above shall not apply to any shares of Common Stock of the Company acquired in the open market following the effective date of the IPO Registration Statement;

(c) all executive officers and directors of the Company then holding shares of Common Stock of the Company or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company enter into agreements that are no less restrictive;

(d) the Holders shall be allowed any concession or proportionate release allowed to any officer or director that entered into agreements that are no less restrictive (with such proportion being determined by dividing the number of shares being released with respect to such officer or director by the total number of issued and outstanding shares held by such officer or director); provided, that nothing in this Section 8(d) shall be construed as a right to proportionate release for the executive officers and directors of the Company upon the expiration of the sixty (60) day period applicable to all Holders who do not include Registrable Shares in the IPO Registration Statement other than the executive officers and directors of the Company; and

(e) this Section 8 shall not be applicable if a Shelf Registration Statement of the Company filed under the Securities Act has been declared effective prior to the filing of an IPO Registration Statement.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 8 and to impose stop transfer instructions with respect to the Registrable Shares and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

9. ***Termination of the Company's Obligation.***

The Company shall have no obligation pursuant to this Agreement with respect to any Registrable Shares proposed to be sold by a Holder in a registration pursuant to this Agreement if, all such Registrable Shares proposed to be sold by a Holder cease to be Registrable Shares.

10. ***Limitations on Subsequent Registration Rights.***

After the date of this Agreement, the Company shall not, without the prior written consent of Holders beneficially owning not less than a majority of the then outstanding Registrable Shares (*provided, however*, that for purposes of this Section 10, Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company or by an "executive officer" (as defined in Rule 405) of the Company shall not be deemed to be outstanding), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any Registration Statement filed pursuant to the terms hereof, unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of its securities will not reduce the amount of Registrable Shares of the Holders that is included, or (b) to have its securities registered on a registration statement that could be declared effective prior to, or within one hundred eighty (180) days of, the effective date of any registration statement filed pursuant to this Agreement.

11. ***Miscellaneous.***

(a) *Remedies*. In the event of a breach by the Company of any of its obligations under this Agreement, FBR and each Holder, in addition to being entitled to exercise all rights provided herein or, in the case of FBR, in the Purchase/Placement Agreement, or granted by law, including the rights granted in Section 2(f) hereof and recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 7, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) *Amendments and Waivers*. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Holders beneficially owning not less than a majority of the then outstanding Registrable Shares; *provided, however*, that for purposes of this Section 11(b), Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding; *provided, further*, however, that any amendments, modifications or supplements to, or any waivers or consents to departures from, the provisions of Section 8 hereof that would have the effect of extending the sixty (60) or one hundred eighty (180) day periods referenced therein shall be approved by, and shall only be applicable to, those Holders who provide written consent to such extension to the Company. No amendment shall be deemed effective unless it applies uniformly to all Holders. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates

exclusively to the rights of a Holder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders may be given by such Holder; *provided* that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the first and second sentences of this paragraph.

(c) *Notices*. All notices and other communications, provided for or permitted hereunder, shall be made in writing and delivered by facsimile (with receipt confirmed), e-mail, overnight courier or registered or certified mail, return receipt requested, or by telegram:

(i) if to a Holder, at the most current address given by the transfer agent and registrar of the Shares to the Company;

(ii) if to the Company, at the offices of the Company at Pacific DataVision, Inc., 100 Hamilton Plaza, Lobby Floor, Paterson, NJ 07505, Attention: Secretary(e-mail: Apoh@pdvcorp.com), with a copy to DLA Piper LLP (US), 4365 Executive Drive, Suite 1100, San Diego, CA 92121, Attention: Jeffrey Thacker, Esq. (facsimile: 858-638-5128); and

(iii) if to FBR, at the offices of FBR at 1001 Nineteenth Street North, Arlington, Virginia 22209, Attention: Gavin Beske, Esq. (facsimile 703-469-1012), with a copy to Gibson, Dunn & Crutcher LLP, 1050 Connecticut Avenue, N.W., Washington, DC 20036, Attention: Howard B. Adler, Esq. (facsimile: 202-530-9526).

(d) *Successors and Assigns*. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment or assumption, subsequent Holders. The Company agrees that the Holders shall be third party beneficiaries to the agreements made hereunder by FBR and the Company, and each Holder shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder; *provided, however*, that such Holder fulfills all of its obligations hereunder.

(e) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) ***Governing Law***. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS**

AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT.

(h) *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) *Entire Agreement*. This Agreement, together with the Purchase/Placement Agreement, is intended by the parties hereto as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(j) *Registrable Shares Held by the Company or its Affiliates*. Whenever the consent or approval of Holders of a specified percentage of Registrable Shares is required hereunder, Registrable Shares held by the Company, its Affiliates, Management Holders or by an "executive officer" (as defined in Rule 405) of the Company shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) *Adjustment for Stock Splits, etc.* Wherever in this Agreement there is a reference to a specific number of shares, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(l) *Survival*. This Agreement is intended to survive the consummation of the transactions contemplated by the Purchase/Placement Agreement. The indemnification and contribution obligations under Section 7 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(m) *Attorneys' Fees*. In any action or Proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the prevailing party, as determined by the court, shall be entitled to recover its reasonable attorneys' fees in addition to any other available remedy.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PACIFIC DATAVISION, INC.

By: /s/ John Pescatore
Name: John C. Pescatore
Title: President & CEO

FBR CAPITAL MARKETS & CO.

By: /s/ Paul Dellisola
Name: Paul Dellisola
Title: Senior Manging Director

MANAGEMENT HOLDERS:

/s/ Brian McAuley
Brian McAuley

/s/ Morgan O'Brien
Morgan O'Brien

/s/ John Pescatore
John Pescatore

/s/ Frank Creede
Frank Creede

/s/ Richard Rohmann
Richard Rohmann

/s/ Andrew Daskalakis
Andrew Daskalakis

/s/ Peter Schiff
Peter Schiff

/s/ John Sites
John C. Sites

AMENDED AND RESTATED

INVESTOR RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (the "***Agreement***") is entered into as of October, 2010, by and among Pacific DataVision, a California corporation (the "***Company***"), the investors listed on Schedule A hereto (the "***Investors***," each of which is herein referred to as an "***Investor***") and the persons listed on Schedule B hereto, each of whom is herein referred to as a "***Prior Holder***").

W I T N E S S E T H:

WHEREAS, at one or more closings of the Company's Series AA Preferred Stock financing (the "***Closings***"), the Company proposes to issue, and certain of the Investors are planning to purchase, a total of up to 2,750,000 units (the "***Units***"), each Unit consisting of one share of Series AA Preferred Stock of the Company (the "***Series AA Preferred Stock***") and warrants to purchase two shares of Series AA Preferred Stock (the "***Warrants***") pursuant to a Securities Purchase Agreement (the "***Purchase Agreement***");

WHEREAS, certain of the Investors are presently holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock of the Company;

WHEREAS, the Company, certain of the Investors and the Prior Holders are parties to that certain Amended and Restated Investor Rights Agreement dated as of August 16, 2006 (the "***2006 Rights Agreement***");

WHEREAS, the Company and the Investors desire to amend and restate the 2006 Rights Agreement, among other things (i) to reflect the issuance of the Units pursuant to the Purchase Agreement, the conversion of the Series B Preferred Stock and Series C Preferred Stock into Series AA Preferred Stock and the conversion or exchange of shares of Series A Preferred Stock into Series AA Preferred Stock and, (ii) since all Investors have been offered the opportunity to purchase shares under the Purchase Agreement, to waive the participation rights set forth in the 2006 Rights Agreement as they would otherwise apply to the Purchase Agreement; and

WHEREAS, as provided by the 2006 Rights Agreement, the Company and the holders of Registrable Securities under the 2006 Rights Agreement have approved the amendments reflected in this Agreement and waived the participation rights set forth in the 2006 Rights Agreement, as evidenced by their signature hereon.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

1. General.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) "***Charter***" means the Company's Amended and Restated Articles of Incorporation dated on or about the date hereof, as the same may be amended from time to time.

(b) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(c) "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) "***Holder***" means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.10 hereof.

(e) "***Initial Offering***" means the firm commitment underwritten initial public offering pursuant to an effective registration statement on Form S-1 (or a successor form) under the Securities Act of 1933, as amended, covering the offer and sale of the Company's Common Stock to the public, for the account of the Company, at an aggregate offering price of not less than $10,000,000 (prior to deducting any underwriting discounts and commissions).

(f) "***Major Investor***" means any Investor (including all affiliates thereof) continuing to own not less than three hundred thousand (300,000) shares of Registrable Securities (as adjusted for stock splits, stock dividends, combinations and similar events).

(g) "***Preferred Stock***" means, collectively, the Series A Preferred Stock and Series AA Preferred Stock.

(h) "***Register***," "***registered***," and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(i) "***Registrable Securities***" means (a) Common Stock of the Company issued or issuable to Investors (or their permitted heirs, successors, transferees and assigns) upon conversion of the Series A Preferred Stock and Series AA Preferred Stock and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such Series A Preferred Stock and Series AA Preferred Stock. Notwithstanding the foregoing, Registrable Securities shall not include any securities sold by a

person to the public either pursuant to a registration statement or Rule 144 or sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(j) "***Registrable Securities then outstanding***" shall be the number of shares determined by calculating the total number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(k) "***Registration Expenses***" means all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(l) "***SEC***" or "***Commission***" means the Securities and Exchange Commission.

(m) "***Securities Act***" means the Securities Act of 1933, as amended.

(n) "***Selling Expenses***" means all underwriting discounts, selling commissions and reasonable fees and disbursements of a single special counsel for the Holders applicable to the sale.

(o) "***Series A Preferred Stock***" means the Company's Series A Preferred Stock.

(p) "***Series B Preferred Stock***" means the Company's Series B Preferred Stock.

(q) "***Series C Preferred Stock***" means the Company's Series C Preferred Stock.

(r) "***Special Registration Statement***" means (i) a registration statement relating to any employee benefit plan, or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, including any registration statements related to the resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

Capitalized terms used but not defined herein shall have the same meanings given such terms in the Purchase Agreement.

2. Registration; Restrictions on Transfer.

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Series AA Preferred Stock or Registrable Securities unless and until:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) the transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144, except in unusual circumstances. After its Initial Offering, the Company will not require the transferee to be bound by the terms of this Agreement.

Notwithstanding the provisions of paragraphs (i) and (ii) above, no such registration statement or opinion of counsel shall be necessary for a transfer by a Holder that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, or (D) an individual transferring to the Holder's family member or trust for the benefit of an individual Holder; provided that in each case the transferee will be subject to the terms of this Agreement to the same extent as if he were an original Holder hereunder.

(b) Each certificate representing Series A Preferred Stock, Series AA Preferred Stock or Registrable Securities shall (unless otherwise permitted by the provisions of the Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAWS, OR AN

OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

(c) The Company shall be obligated to reissue unlegended certificates promptly at the request of any Holder thereof if the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification or legend.

(d) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from (i) in the case of the first request for registration under this Section 2.2, the Holders of a majority of the Registrable Securities then outstanding or (ii) in the case of a subsequent request for registration under this Section 2.2, the Holders of not less than twenty-five percent (25%) of the Registrable Securities then outstanding (in either case, the "Initiating Holders") that the Company file a registration statement under the Securities Act covering the registration of at least twenty percent (20%) of the Registrable Securities then outstanding, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by a majority in interest of the Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such

Registrable Securities on a pro rata basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities of the Company are first entirely excluded from the underwriting and registration. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) the third anniversary of the date of this Agreement or (B) twelve (12) months following the effective date of the registration statement pertaining to the Initial Offering;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than seven million five hundred thousand dollars ($7,500,000);

(iii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iv) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following, the effective date of the registration statement pertaining to the Initial Offering, provided that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(v) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for its Initial Offering within sixty (60) days;

(vi) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2, a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders, provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12)-month period;

(vii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(viii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in

effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least twenty (20) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within twenty (20) days after the above-described notice from the Company, so notify the Company in writing. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement under which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to be included in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders of Registrable Securities on a pro rata basis based on the total number of Registrable Securities held by such Holders; and third, to any shareholder of the Company (other than a Holder) on a pro rata basis. No such reduction shall reduce the amount of securities of the selling Holders of Registrable Securities included in the registration below thirty-three percent (33%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling shareholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding sentence. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership or corporation, the partners, retired partners and shareholders of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate

amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect more than four (4) such registrations under this Section 2.4, or any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars ($1,000,000);

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within sixty (60) days, other than pursuant to a Special Registration Statement;

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than one hundred twenty (120) days after receipt of the request of the Holder

or Holders under this Section 2.4, provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12)-month period;

(v) if the Company has, within the twelve (12)-month period preceding the date of such request, already effected a registration on Form S-3 for the Holders pursuant to this Section 2.4; or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Sections 2.2 or 2.3, respectively.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder shall be borne by the holders of the securities so registered pro rata on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to forfeit their right to one requested registration pursuant to Section 2.2 or Section 2.4, as applicable, in which event such right shall be forfeited by all Holders). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then the Holders shall not forfeit their rights pursuant to Section 2.2 or Section 2.4 to a demand registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to one hundred twenty (120) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the “Suspension Period”), the Company

may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that the Company may, in the absence of such delay or suspension hereunder, be required under state or federal securities laws to disclose any corporate development the disclosure of which could reasonably be expected to have an adverse effect upon the Company, its shareholders, a potentially significant transaction or event involving the Company, or any negotiations, discussions or proposals directly relating thereto. No more than one (1) such Suspension Period shall occur in any three (3) month period, and no more than two (2) such Suspension Periods shall occur in any twelve (12) month period. In the event that the Company shall exercise its rights hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. The Company may extend the Suspension Period for an additional consecutive sixty (60) days with the consent of the holders of a majority of the Registrable Securities proposed to be sold by the Initiating Holders, which consent shall not be unreasonably withheld. If so directed by the Company, the Initiating Holders shall use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Initiating Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. The Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in paragraph (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Termination of Registration Rights. All registration rights granted under this Section 2 shall terminate and be of no further force and effect five (5) years after the date of the Company's Initial Offering. In addition, a Holder's registration rights shall expire earlier if (a) the Company has completed its Initial Offering and is subject to the provisions of the Exchange Act, (b) such Holder (together with its affiliates) holds less than 1% of the Company's outstanding Common Stock (treating all shares of convertible Preferred Stock on an as converted basis) and (c) all Registrable Securities held by and issuable to such Holder (and its affiliates) may be sold under Rule 144 during any ninety (90)-day period.

2.8 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

2.9 Indemnification. In the event any Registrable Securities are included in a registration statement under Section 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers and directors of each Holder, any underwriter (as

defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will pay as incurred to each such Holder, partner, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided however, that the indemnity agreement contained in this Section 2.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will pay as incurred any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Violation; provided, however, that the indemnity agreement contained in this Section 2.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder,

which consent shall not be unreasonably withheld; provided further, that in no event shall any indemnity under this Section 2.9 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.9, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(d) If the indemnification provided for in this Section 2.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, that in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.9 shall survive completion of any offering of Registrable Securities in a registration statement and the termination of this Agreement. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.10 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities that (a) is a majority-owned subsidiary or a parent, general partner, limited partner, retired partner, member or retired member, stockholder or shareholder of a Holder; (b) is a Holder's family member or trust for the benefit of an individual Holder; (c) acquires at least five hundred thousand (500,000) shares of Registrable Securities (as adjusted for stock splits and combinations); or (d) is an entity affiliated by common control (or other related entity) with such Holder; provided, however, that (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree in writing to be subject to all restrictions set forth in this Agreement.

2.11 Amendment of Registration Rights. Any provision of this Section 2 may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holders of at least a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this Section 2.11 shall be binding upon each Holder and the Company. By acceptance of any benefits under this Section 2, Holders of Registrable Securities hereby agree to be bound by the provisions hereunder.

2.12 Limitation on Subsequent Registration Rights. Other than as provided in Section 5.11, after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder registration rights pari passu or senior to those granted to the Holders hereunder, other than the right to a Special Registration Statement.

2.13 "Market Stand-Off" Agreement. Upon request of the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder of Registrable Securities hereby agrees that such Holder shall enter into a customary form of agreement not to sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) for a period specified by the Company's Board of Directors upon advice of the underwriters of Common Stock (or other securities) of the Company, such period not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act; provided, however, that:

(a) such agreement shall apply only to the Company's Initial Offering; and

(b) all officers, directors and key employees of the Company and holders of at least one percent (1%) of the Company's voting securities enter into similar agreements.

2.14 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the Holder's obligations under Section 2.13 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.13 and this Section 2.14 shall not apply to a Special Registration Statement. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180)-day period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.13 and 2.14. The underwriters of the Company's stock are intended third-party beneficiaries of Sections 2.13 and 2.14 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.15 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) so long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.16 Access to Executives. Upon ten (10) business days advance notice to the Company for any Holder, the Company will make available its then-current Chief Executive Officer, Chief Financial Officer and Chief Operating Officer or equivalent function (the "***Company Executives***") for the purpose of participating in a reasonable number of "roadshow" presentations to financial analysts, investment banking personnel, securities brokers and dealers and prospective investors which may be conducted from time to time in conjunction with the sale of some or all of the Holders' Registrable Securities and as permitted by the Securities Act and the rules and regulations thereunder. While it is the intent of the parties that the foregoing presentations be conducted at times and in places reasonably convenient to the Company

Executives, the Company acknowledges that the Company Executives' participation in the presentations may, and likely will, require some travel from the Company's headquarters.

3. Covenants of the Company, Investors and Prior Holders.

3.1 Basic Financial Information and Reporting.

(a) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied, and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(b) As soon as practicable after the end of each fiscal year of the Company, and in any event within ninety (90) days thereafter, the Company will furnish each Major Investor a balance sheet of the Company as at the end of such fiscal year, and a statement of income and a statement of cash flows of the Company for such year, all prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants of national standing, which are in good standing with the SEC, selected by the Company's Board of Directors. The Company shall also furnish drafts copies of such financial statements to each Major Investor within forty-five (45) days after the end of each fiscal year of the Company.

(c) The Company will furnish each Major Investor: as soon as practicable after the end of each of the first, second and third quarterly accounting periods in each fiscal year of the Company, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date. The Company will furnish to each Major Investor with reasonable promptness such other data and information as from time to time may be reasonably requested.

(d) In the event the Company fails to provide any of the reports or financial statements required by Sections 3.1(b) and (c), any Major Investor may give the Company notice requesting immediate delivery of such reports.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times during regular business hours with reasonable advance notice and as often as may be reasonably requested; provided, however, that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees to use, and to exercise commercially reasonable efforts to insure that its authorized representatives use, the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to it which the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information to any partner, subsidiary, parent or advisor of such Investor for the purpose of evaluating its investment in the Company as long as such partner, subsidiary, parent or advisor is advised of the confidentiality provisions of this Section 3.3 and agrees to comply with such provisions.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Series A Preferred and Series AA Preferred Stock, all Common Stock issuable from time to time upon such conversion.

3.5 Option Plans. The grant of stock options or sale of stock or other stock equivalents to employees, directors, consultants and other service providers shall be made pursuant to the Company's 2004 Stock Plan, 2010 Stock Plan or another Incentive Stock Option Plan, Stock Purchase Plan or similar plan approved and administered by the Company's Board of Directors.

3.6 Designation of Chief Executive Officer. The Company and the Investors agree that, until such time as the Company hires a permanent Chief Executive Officer, the office of the Chief Executive Officer shall be held by the Company's President which, as of the date of this Agreement, is John Pescatore.

3.7 Meetings of the Board of Directors. Meetings of the Company's Board of Directors shall be held quarterly, unless and until directed otherwise by the Board of Directors.

3.8 Visitation Rights. For so long as Peter Lasensky, Richard Rohmann and Frank Creede, respectively, retain at least 993,514, 379,768 and 291,074 shares of Common Stock of the Company and options to purchase Common Stock of the Company (in each case as adjusted to reflect stock splits, stock dividends, combinations and similar recapitalization events), the Company shall allow such individuals to attend all meetings of the Company's Board of Directors in a nonvoting capacity; provided, however, that the Company reserves the right to exclude such individuals from access to any material or meeting or portion thereof if the Company believes upon advice of counsel that such exclusion is reasonably necessary to preserve the attorney-client privilege, to protect highly confidential proprietary information or for other similar reasons. For purposes of this Section 3.8, shares held by a spouse or member of such individual's immediate family, a custodian, trustee (including a trustee of a voting trust), executor or other fiduciary for the account of such individual spouse or members of such individual's immediate family, or a trust for such individual's benefit, shall be aggregated when calculating the applicable share ownership threshold.

3.9 Confidentiality and Assignment of Inventions Agreements. The Company shall require all employees and consultants to execute and deliver to the Company, prior to

commencing employment with or services for the Company, as the case may be, a Confidentiality Agreement and an Assignment of Inventions Agreement.

3.10 Assignment of Right of First Refusal. In the event the Company elects not to exercise any right of first refusal or right of first offer the Company may have on a proposed transfer of any of the Company's outstanding capital stock pursuant to the Company's charter documents, by contract or otherwise, the Company shall, to the extent it may do so, assign such right of first refusal or right of first offer to each Major Investor. In the event of such assignment, each Major Investor shall have a right to purchase its pro rata portion of the capital stock proposed to be transferred. Each Major Investor's pro rata portion shall be equal to the product obtained by multiplying (i) the aggregate number of shares proposed to be transferred by (ii) a fraction, the numerator of which is the number of shares of Registrable Securities held by such Major Investor at the time of the proposed transfer and the denominator of which is the total number of shares owned by all Major Investors at the time of such proposed transfer.

3.11 Approval. The Company shall not without the approval of a majority of the Board of Directors, with all non-interested Directors voting, authorize or enter into any transactions with any director or management employee, or such director's or employee's immediate family or affiliates.

3.12 Directors' Liability and Indemnification. The Company's Charter and Bylaws shall provide (a) for elimination of the liability of directors to the maximum extent permitted by law and (b) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. In addition, subject to the approval of the Board of Directors, the Company shall continue to maintain, during the term of this Agreement, directors' and officers' liability insurance.

3.13 Election of Board of Directors.

(a) Until the earlier of (A) September 30, 2010 and (B) the effective date of the registration statement pertaining to the Initial Offering, at each election of directors of the Company, the Investors and Prior Holders hereby consent and agree to vote in favor of the following persons all shares of outstanding voting capital stock of the Company now held or subsequently acquired by the Investors or Prior Holders to elect: (i) four (4) nominees of the holders of Series C Preferred Stock and Series B Preferred Stock, voting together as a separate class, and (ii) three (3) nominees of the holders of Series A Preferred and Common Stock (one of whom shall be the Chief Executive Officer of the Company), voting together as a separate class. If any vacancy shall occur on the Board of Directors, all parties hereto shall take all necessary actions, including the holding of a meeting of the shareholders if required, to insure that the composition of the Board of Directors remains as set forth herein.

(b) After the earlier of (A) September 30, 2010 and (B) the effective date of the registration statement pertaining to the Initial Offering, all members of the Company's Board of Directors shall be elected by vote of the holders of Common and Preferred Stock, voting together as a single class on an as-if-converted basis, at each meeting or pursuant to each consent of the Company's stockholders for the election of directors. If any vacancy shall occur on the

Board of Directors, all parties hereto shall take all necessary actions, including the holding of a meeting of the shareholders if required, to insure that the composition of the Board of Directors remains as set forth herein.

3.14 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement shall expire and terminate in full upon the earlier of (i) the effective date of the registration statement pertaining to the Initial Offering, which results in the Series A Preferred Stock and Series AA Preferred Stock being converted into Common Stock or (ii) upon (a) the sale, lease or other disposition of all or substantially all of the assets of the Company or (b) an acquisition of the Company by another corporation or entity by consolidation, merger or other reorganization in which the holders of the Company's outstanding voting stock immediately prior to such transaction own, immediately after such transaction, securities representing less than fifty percent (50%) of the voting power of the corporation or other entity surviving such transaction, provided that this Section 3.14(ii)(b) shall not apply to a merger effected exclusively for the purpose of changing the domicile of the Company (a "***Change in Control***").

4. Rights of First Refusal.

4.1 Subsequent Offerings. Each Investor shall have a right of first refusal to purchase its pro rata share of all Equity Securities, as defined below, that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. Each Investor's pro rata share is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Common Stock issued or issuable upon conversion of the Series A Preferred Stock and the Series AA Preferred Stock or upon the exercise of any outstanding warrants or options) which such Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the Series A Preferred Stock and the Series AA Preferred Stock or upon the exercise of any outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "Equity Securities" shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible, with or without consideration, into any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Investor shall have twenty (20) days from the giving of such notice to agree to purchase its pro rata share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale or to any Investor that is not an "accredited investor" within the meaning of Regulation D under the Securities Act.

4.3 Issuance of Equity Securities to Other Persons. If not all of the Investors elect to purchase their pro rata share of the Equity Securities, then the Company shall promptly notify in writing the Investors who do so elect and shall offer such Investors the right to acquire such unsubscribed shares. The Investors shall have ten (10) days after receipt of such notice to notify the Company of its election to purchase all or a portion thereof of the unsubscribed shares. If the Investors fail to exercise in full the rights of first refusal, the Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Investor's rights were not exercised, at a price and upon general terms and conditions materially no more favorable to the purchasers thereof than specified in the Company's notice to the Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 4.2, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Investors in the manner provided above.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering or (ii) a Change in Control. The rights of first refusal established by this Section 4 may be amended, or any provision waived (which amendment or waiver shall be binding and effective upon all Investors), with the written consent of Investors holding a majority of the Registrable Securities held by all Investors, or as permitted by Section 5.6.

4.5 Transfer of Rights of First Refusal. The rights of first refusal of each Investor under this Section 4 may be transferred to the same parties, subject to the same restrictions, as any transfer of registration rights pursuant to Section 2.10.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock or options to purchase Common Stock issued to directors, officers or employees of, or consultants to, the Company pursuant to the Company's 2004 Stock Plan, 2010 Stock Plan or another Incentive Stock Option Plan, Stock Purchase Plan or similar plan approved and administered by the Company's Board of Directors;

(b) any Equity Securities that are issued by the Company pursuant to a firm commitment underwritten public offering registered under the Securities Act;

(c) shares of Common Stock issued upon conversion or exercise, as the case may be, of shares of Preferred Stock, options, warrants or other convertible securities issued by the Company that are outstanding prior to the date of this Agreement;

(d) shares of Common Stock issued by the Company as a dividend or distribution on Preferred Stock;

(e) warrants issued to commercial lending institutions or equipment lessors in connection with commercial credit agreements, equipment financings or similar transactions;

(f) any Equity Securities issued for consideration other than cash in connection with a merger, consolidation, acquisition or similar business combination approved by the Board of Directors; and

(g) any Equity Securities issued for consideration other than cash in connection with a joint venture, strategic alliance or similar corporate partnering arrangement approved by the Board of Directors.

5. Miscellaneous.

5.1 Governing Law. This Agreement shall be interpreted under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND CONSENT TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.

5.2 Survival. The representations, warranties, covenants and agreements made herein shall survive any investigation made by any Holder and the closing of the transactions contemplated hereby.

5.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

5.4 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all other agreements between or among any of the parties with respect to the subject matter hereof.

5.5 Severability. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5.6 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified only upon the written consent of the Company and the holders of at least a majority of the Registrable Securities, which amendment shall be binding and effective upon all holders of Registrable Securities.

(b) Except as otherwise expressly provided, the obligations of the Company and the rights of the Holders under this Agreement may be waived only with the written consent of the holders of at least a majority of the Registrable Securities, which waiver shall be binding and effective upon all holders of Registrable Securities.

(c) For the purposes of determining the number of Holders or Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

5.7 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any Holder upon any breach, default or noncompliance of the Company under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any Holder's part of any breach, default or noncompliance under the Agreement or any waiver on such Holder's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law or otherwise afforded to Holders, shall be cumulative and not alternative.

5.8 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or Schedule A hereto or at such other address as such party may designate by ten (10) days advance written notice to the other parties hereto.

5.9 Attorneys' Fees. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

5.10 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

5.11 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional Units pursuant to the Purchase Agreement, any purchaser of such Units may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "Investor," a "Holder" and a party hereunder. Notwithstanding anything to the contrary contained herein, if the Company shall issue Equity Securities in accordance with Section 4.6(e), (f) or (g) of this Agreement, any

purchaser of such Equity Securities may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "Investor," a "Holder" and a party hereunder.

5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

5.13 2006 Rights Agreement. This Agreement replaces and supersedes the 2006 Rights Agreement. The 2006 Rights Agreement is terminated and has no continuing force or effect as of the date of this Agreement. The Company and the Investors (constituting the holders of at least a majority of the outstanding Registrable Securities as defined in the 2006 Rights Agreement) hereby agree that the right of first refusal pursuant to Section 4.1 of the 2006 Rights Agreement, and any similar preemptive right or right of first refusal, is waived with respect to the issuance of the Equity Securities pursuant to the Purchase Agreement and the shares of Preferred Stock and/or Common Stock issuable upon conversion of such Equity Securities.

5.14 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

COMPANY:

PACIFIC DATAVISION

By: /s/ John Pescatore
Name: John C. Pescatore
Title: President and CEO

INVESTORS:

Alicia Rygiel
Amie & Robert Yabroff
AMK International, Inc.
Ann Poh
Arthur L. Cahoon
Benjamin & Susan Frishberg
Brian D. McAuley
Brian D. McAuley, as Trusteee for Beth Kathryn McAuley
Brian D. McAuley, as Trusteee for Christian Brian McAuley
Brian D. McAuley, as Trusteee for Mary Elizabeth McAuley
Brian D. McAuley, as Trusteee for Tricia Florence McAuley
Curtis A. Gulbro
Darryl K. Korn, Trustee, Darryl K. Korn Living Trust U/A dated 12/14/91
David Lasensky
David Lasensky Irrevocable Trust
Douglas Gardner
Douglas Grissom
Edward E. Hicks & Teresa Hicks-Nuzzi
Eileen Gildea
Elby Loyd
Eric C. Mollman & Mary C. Mollman
Eric Mollman
Finch Family Trust Dated Nov. 23, 1987
Frank Creede
Glenn Carpenter
Goolock Associates
Halsey Family Tust
James H. Dahl
James M. Davidson Revocable Deed of Trust 9/1/99
James Perry
Jane McAuley
John C. Pescatore
John D. and Claudia J. Larsen
John L. Smaha
John Major
John Sites Jr.
Jonathan Butler
Joseph Lasensky

Joseph Oakes
Ken G. Secemski
Las Aguillas Holdings, LLC (Account BW-53560)
LeRoy Kirchner, Jr.
Lisa and Barry Marks
Lisa Giadini
Lorenz Fischer-Zernin
Marcus Rhodes
Mark L. Creede
Melanie Kirchner
Mercedes Iglesias
Michael Carey and Mary Carey
Michelle K. Pescatore
Morgan O'Brien
Nextone, LLC
Northwood Capital Partners, LLC
Northwood Ventures, LLC
Orhan Sadik-Khan
Paul Finnegan
Paul Mastroianni and Noreen Mastroianni
Peter Joel Lasensky
RaptorTrust u/a/d December 28, 2004
Revocable Trust of Jack Markell
Richard E. Rohmann, Trustee of the Richard E. Rohmann Trust, dated April 23, 1991
Richard P. Miklau
Richard Somers
Robert A. Vickery
Schabarum Family Trust
SK Partners
Southfield Communications
Stan De Cosmo
Stelca A. Somerville, Trustee of the Trust A/Somerville Family Trust dated February 27, 1980
Steve Schreiber
Sutton Family Trust dated 6-5-95
TRG Consulting
UBS Financial Services, Inc. as IRA Custodian for Joseph A Lozito, MD
Ulrich E. Keller, Jr. and Anne L. Confair
Wayland Hicks

AMENDMENT TO
INVESTOR RIGHTS AGREEMENT

This Amendment (the "***Amendment***") to Investor Rights Agreement (the "***Agreement***"), dated as of May 30, 2014 ("***Effective Date***") by and among Pacific DataVision (the "***Company***") and the Holders representing at least a majority of the Registrable Securities outstanding, (as defined in the Agreement). Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Agreement.

WHEREAS, Section 5.6 of the Agreement provides that the Agreement may be amended or modified only upon the written consent of the Company and the holders of at least a majority of the Registrable Securities, which amendment shall be binding and effective upon all holders of Registrable Securities.

WHEREAS, the parties hereto agree that in connection with certain private placement of shares of the common stock of the Company in connection with the purchase of spectrum assets from Sprint Corporation, it is in the best interest of the Company to amend the Agreement in order terminate certain information and other rights and obligations of the Holders and to exclude the Offering from certain rights of first refusal held by the Holders

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1. Amendment to Section 3. Section 3.14 shall be amended and restated in its entirety as follows:

" 3.14 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement shall expire and terminate in full upon the earlier of (i) the effective date of the registration statement pertaining to the Initial Offering, which results in the Series A Preferred Stock and Series AA Preferred Stock being converted into Common Stock, (ii) the closing of that certain private placement of shares of the common stock of the Company (the "***Offering***"), with sufficient proceeds to accomplish the purchase of spectrum assets from Sprint Corporation to the Company pursuant to that certain Asset Purchase Agreement, dated May 13, 2014, by and between Sprint Corporation and the Company (the "***Sprint APA***"), or (iii) upon (a) the sale, lease or other disposition of all or substantially all of the assets of the Company or (b) an acquisition of the Company by another corporation or entity by consolidation, merger or other reorganization in which the holders of the Company's outstanding voting stock immediately prior to such transaction own, immediately after such transaction, securities representing less than fifty percent (50%) of the voting power of the corporation or other entity surviving such transaction, provided that this Section 3.14(ii)(b) shall not apply to a merger effected exclusively for the purpose of changing the domicile of the Company (a "***Change in Control***")."

2. Amendment to Section 4. A new Section 4.6(h) shall be added as follows:

"(g) any Equity Securities issued the Offering, which Offering is approved by the Board of Directors."

3. Approval of Amendment. By its signature below, the Company hereby adopts this Amendment.

4. Necessary Acts. Each party to this Amendment hereby agrees to perform any further acts and to execute and deliver any further documents that may be necessary or required to carry out the intent and provisions of this Amendment and the transactions contemplated hereby.

5. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

6. Continued Validity. Except as otherwise expressly provided herein, the Agreement shall remain in full force and effect.

7. Counterparts. This Amendment may be executed by facsimile and in any number of counterparts by the parties hereto all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

PACIFIC DATAVISION

By: /s/ John Pescatore
John Pescatore
President and Chief Executive Officer

Address: 100 Hamilton Plaza, Lobby Floor
Paterson, New Jersey 07505

HOLDER:

THE SIGNATURE PAGE TO PACIFIC DATAVISION CONSENT ACTION EXECUTED BY THE HOLDER IS HEREBY APPENDED HERETO AS EVIDENCE OF SUCH HOLDER'S EXECUTION AND ADOPTION OF THIS AMENDMENT TO INVESTOR RIGHTS AGREEMENT.

HOLDERS:

Alicia Rygiel
Amie & Robert Yabroff
AMK International, Inc.
Ann Poh
Arthur L. Cahoon
Benjamin & Susan Frishberg
Brian D. McAuley
Brian D. McAuley, as Trusteee for Beth Kathryn McAuley
Brian D. McAuley, as Trusteee for Christian Brian McAuley
Brian D. McAuley, as Trusteee for Mary Elizabeth McAuley
Brian D. McAuley, as Trusteee for Tricia Florence McAuley
Curtis A. Gulbro
Darryl K. Korn, Trustee, Darryl K. Korn Living Trust U/A dated 12/14/91
David Lasensky
David Lasensky Irrevocable Trust
Douglas Gardner
Douglas Grissom
Edward E. Hicks & Teresa Hicks-Nuzzi
Eileen Gildea
Elby Loyd
Eric C. Mollman & Mary C. Mollman
Eric Mollman
Finch Family Trust Dated Nov. 23, 1987
Frank Creede
Glenn Carpenter
Goolock Associates
Halsey Family Tust
James H. Dahl
James M. Davidson Revocable Deed of Trust 9/1/99
James Perry
Jane McAuley
John C. Pescatore
John D. and Claudia J. Larsen
John L. Smaha
John Major
John Sites Jr.
Jonathan Butler
Joseph Lasensky
Joseph Oakes
Ken G. Secemski
Las Aguillas Holdings, LLC (Account BW-53560)
LeRoy Kirchner, Jr.
Lisa and Barry Marks
Lisa Giadini

Lorenz Fischer-Zernin
Marcus Rhodes
Mark L. Creede
Melanie Kirchner
Mercedes Iglesias
Michael Carey and Mary Carey
Michelle K. Pescatore
Morgan O'Brien
Nextone, LLC
Northwood Capital Partners, LLC
Northwood Ventures, LLC
Orhan Sadik-Khan
Paul Finnegan
Paul Mastroianni and Noreen Mastroianni
Peter Joel Lasensky
RaptorTrust u/a/d December 28, 2004
Revocable Trust of Jack Markell
Richard E. Rohmann, Trustee of the Richard E. Rohmann Trust, dated April 23, 1991
Richard P. Miklau
Richard Somers
Robert A. Vickery
Schabarum Family Trust
SK Partners
Southfield Communications
Stan De Cosmo
Stelca A. Somerville, Trustee of the Trust A/Somerville Family Trust dated February 27, 1980
Steve Schreiber
Sutton Family Trust dated 6-5-95
TRG Consulting
UBS Financial Services, Inc. as IRA Custodian for Joseph A Lozito, MD
Ulrich E. Keller, Jr. and Anne L. Confair
Wayland Hicks

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

VOID AFTER 5:00 P.M., PACIFIC TIME, ON THE TENTH ANNIVERSARY OF THE DATE OF ISSUANCE (AS HEREINAFTER DEFINED), OR IF NOT A BUSINESS DAY, ON THE NEXT FOLLOWING BUSINESS DAY.

WARRANT NO.

COMMON STOCK PURCHASE WARRANT

This certifies that, for value received, **[Investor]**, and its registered, permitted assigns or successors in interest (the "***Registered Holder***"), is entitled to purchase from Pacific DataVision, Inc., a California corporation (the "***Company***"), subject to the terms and conditions hereof, at any time during the Exercise Period (as hereinafter defined), **[Number of warrants]** fully paid and non-assessable shares of Common Stock (as hereinafter defined) of the Company.

1. Definitions. As used in this Warrant, the following terms shall have the meanings set forth below:

"***Act***" means the Securities Act of 1933, as amended.

"***Affiliate***" means any corporation or business entity which controls, is controlled by or is under common control with a party.

"***Control***" shall include, without limitation, direct or indirect ownership of fifty percent (50%) or more of the voting shares or voting interest of such corporation or business entity, so long as such party has the right to direct the management of the business and operations of such corporation or business entity.

"***Common Stock***" means the Company's Common Stock, no par value.

"***Date of Issuance***" shall mean August 6, 2004.

"***Exercise Price***" shall mean $5.00 per share.

"***Fair Market Value***" shall be equal to either (i) if the exercise of this Warrant occurs in connection with an initial public offering of the Company, then the Fair Market Value shall be equal to the "initial price to public" specified in the final prospectus with respect to the initial public offering or (ii) if the exercise of this Warrant does not occur in connection with an initial public offering of the Company, the fair market value of the Common Stock as determined in good faith by the Company's board of directors.

"***Investor Rights Agreement***" means that certain Investor Rights Agreement, dated as of August 6, 2004, by and among the Company and the Investors listed on Schedule A thereto.

"***Person***" means an individual, a partnership, a corporation, a trust, a joint venture, an unincorporated organization or a government or any department or agency thereof.

"***Warrant***" means this Warrant and all stock purchase warrants issued in exchange herefore pursuant to the terms hereof.

"***Warrant Stock***" means shares of the Company's authorized but unissued Common Stock issuable upon exercise of this Warrant.

2. Exercise of Warrant.

2.1 Exercise Period. The Registered Holder may exercise the purchase rights represented by this Warrant, in whole or in part (but not as to a fractional share of Warrant Stock), at any time and from time to time on or after the Date of Issuance and prior to 5:00 p.m. (Pacific Time) on the tenth anniversary of the Date of Issuance, or if that day is not a business day, the next following business day (the "***Exercise Period***").

2.2 Exercise Procedure.

(a) This Warrant will be deemed to have been exercised at such time as the Company has received all of the following items (the "***Exercise Date***"):

(i) a completed Irrevocable Subscription substantially in the form attached hereto as Exhibit A, (an "***Irrevocable Subscription***") executed by the Registered Holder exercising all or part of the purchase rights represented by this Warrant (the "***Purchaser***");

(ii) this Warrant;

(iii) an Assignment or Assignments substantially in the form attached hereto as Exhibit B (an "***Assignment***"), evidencing the assignment of this Warrant to the Purchaser, if applicable; and

(iv) either (A) a wire transfer or check payable to the Company in an amount equal to the product obtained by multiplying the Exercise Price by the number of

shares of Warrant Stock issuable upon such exercise (the "***Aggregate Exercise Price***"); (B) instruments or certificates, duly endorsed for transfer, evidencing debt or equity securities of the Company having a value (as mutually agreed upon by the Registered Holder and the Company) equal to the Aggregate Exercise Price of the Warrant Stock issuable upon exercise; or (C) a written notice to the Company that the Registered Holder is exercising the Warrant (or a portion thereof) in whole or in part at any time or from time to time prior to its expiration for a number of shares of Warrant Stock having an aggregate Fair Market Value on the date of such exercise (as determined hereunder) equal to the difference between (x) the Fair Market Value of the number of shares of Warrant Stock subject to the Warrant designated by the Registered Holder on the date of the exercise and (y) the aggregate exercise price of the Warrant Stock otherwise payable by the Registered Holder for such designated shares. Upon any such exercise, the number of shares of Warrant Stock purchasable upon exercise of the Warrant shall be reduced by such designated number of shares of Warrant Stock and, if a balance of purchasable shares of Warrant Stock remains after such exercise, the Company shall execute and deliver to the Registered Holder a new Warrant for such balance of shares of Warrant Stock. No payment of any cash or other consideration by the Company shall be required, except as otherwise specifically provided in Section 2.2(e) below. Such exchange shall be effective upon the date of receipt by the Company of the original Warrant surrendered for cancellation and a written request from the Registered Holder that the exchange pursuant to this section be made, or at such later date as may be specified in such request.

(b) The Company promptly shall issue and deliver to the Person or Persons at the address or addresses specified by the Purchaser a certificate or certificates evidencing the appropriate number of shares of Warrant Stock to which the Purchaser is entitled as of the Exercise Date. The Registered Holder of this Warrant or its designee shall receive a replacement warrant representing any rights which have not expired or been exercised in accordance with the terms hereof.

(c) This Warrant shall be deemed to have been exercised immediately prior to the close of business on the Exercise Date. The person or persons entitled to receive the Warrant Stock shall be treated for all purposes as the record holder of such Warrant Stock as of such date.

(d) The issuance of certificates for shares of Warrant Stock upon exercise of this Warrant will be made without charge to the Registered Holder or the Purchaser for any issuance tax in respect thereof or any other cost incurred by the Company in connection with such exercise.

(e) If a fractional share of Warrant Stock would, but for the provisions of this Section 2.2, be issuable upon exercise of the rights represented by this Warrant, the Company shall promptly deliver to the Purchaser a check payable to the Purchaser in lieu of such fractional share in an amount equal to the proportionate Exercise Price of such fractional share.

3. Prior Notice as to Certain Events. In the event that during the term of this Warrant:

(a) there shall be any reorganization or reclassification of the capital stock of the Company, or consolidation or merger of the Company with another corporation or a sale or disposition of all or substantially all its assets; or

(b) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company,

then, in each such case, the Company shall give prior written notice, by first class mail, postage prepaid, addressed to the Registered Holder of this Warrant at the address of such holder as shown on the books of the Company, of the date on which such reorganization, reclassification, consolidation, merger, sale, disposition, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall describe the material terms of the transaction and also specify the date on which the holders of record of the Warrant Stock shall be entitled to exchange their stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, disposition, dissolution, liquidation or winding up, as the case may be. Such written notice shall be given not less than ten (10) business days prior to the record date or the date on which the Company's transfer books are closed in respect thereto. In addition, the Registered Holder shall be entitled to the same rights as any holder of Common Stock to receive notice of any such action or event.

4. Reservation of Common Stock. The Company will reserve and keep available for issuance upon the exercise of the Warrant such number of its authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of all outstanding Warrants, and upon such issuance such shares of Common Stock will be duly authorized, validly issued, fully paid and nonassessable, and free from all liens and charges with respect to the issuance thereof.

5. No Voting Rights. This Warrant will not entitle the holder hereof to any voting rights or other rights as a stockholder of the Company.

6. Restrictions on Transfer.

6.1 Subject to the restrictions on the transferability of this Warrant set forth in Section 6.2 below, this Warrant and all rights hereunder are transferable, in whole or in part, by the Registered Holder to any Affiliate of the Registered Holder, upon surrender of this Warrant with a properly executed Assignment at the principal office of the Company, provided that such transferee has agreed in writing for the benefit of the Company to be bound by this Section 6 and the Investor Rights Agreement, to the extent the provisions of Section 6 and the Investor Rights Agreement are then applicable.

6.2 Registered Holder agrees not to make any disposition of all or any portion of the Warrant or Warrant Stock, as applicable, unless and until there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in

accordance with such registration statement; or (a) such Registered Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (b) if reasonably requested by the Company, such Registered Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Act.

6.3 Notwithstanding the provisions of Section 6.2 above, no such registration statement or opinion of counsel shall be necessary for a transfer by a Registered Holder to any of its Affiliates or by a Registered Holder that is a limited liability company to a member of such limited liability company, that is a partnership to a partner of such partnership or a retired partner of such partnership who retires after the date hereof, or to the estate of any such member, partner or retired partner or the transfer by gift, will or intestate succession of any member or partner to his or her spouse or to the siblings, lineal descendants or ancestors of such member, partner or his or her spouse, if the transferee agrees in writing to be subject to the terms hereof to the same extent as if he or she were an original Registered Holder hereunder.

6.4 Upon request of the representative of the underwriters of Common Stock (or other securities) of the Company, the Registered Holder hereby agrees that such Registered Holder shall enter into a customary form of agreement not to sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Registered Holder (other than those included in the registration) for a period specified by the Company's Board of Directors upon advice of the underwriters of Common Stock (or other securities) of the Company, such period not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Act; provided, however, that:

(a) such agreement shall apply only to the Company's initial public offering; and

(b) all officers, directors and key employees of the Company and holders of at least one percent (1%) of the Company's voting securities enter into similar agreements.

6.5 The certificates representing the securities issuable upon exercise of this Warrant shall have affixed thereto a legend in substantially the following form, in addition to other legends required by applicable state law:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT, OR APPLICABLE

STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

6.6 In connection with the issuance and exercise of this Warrant, the Registered Holder represents and warrants to the Company that it is an "***institutional investor***" or an "***accredited investor***" as defined under applicable federal and state securities laws and shall acquire the securities issuable upon such exercise for investment purposes, and not with a view to distributing the same.

7. Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, without expense, upon the surrender hereof by the Registered Holder at the principal office of the Company, for new Warrants of like tenor representing in the aggregate the purchase rights hereunder, and each of such new Warrants will represent such portion of such rights as is designated by the Registered Holder at the time of such surrender. The date the Company initially issues this Warrant will be deemed to be the Date of Issuance of this Warrant regardless of the number of times new certificates representing the unexpired and unexercised rights formerly represented by this Warrant are issued.

8. Miscellaneous.

8.1 Amendment and Waiver. This Warrant is one of a series of Warrants (collectively, the "***Transaction Warrants***") issued by the Company in connection with that certain Series B Preferred Stock and Warrant Purchase Agreement, dated as of August 6, 2004, by and among the Company and the Investors listed on Schedule A thereto (the "***Purchase Agreement***"). Except as otherwise provided herein, the provisions of the Warrant may be amended or waived and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only upon the written consent of the Company and the Registered Holders representing at least a majority of the shares of Warrant Stock issued or issuable upon the exercise of all Transaction Warrants (the "***Consenting Registered Holders***"). Unless otherwise agreed to by the Consenting Registered Holders and the Company, any amendment shall be binding upon and enforceable against all Registered Holders and shall apply to all Transaction Warrants, including any replacement warrants issued in accordance with the terms herein.

8.2 Notices. Any notices required to be sent to a Registered Holder will be delivered to the address of such Registered Holder shown on the books of the Company. All notices required or permitted hereunder, to be effective, shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

8.3 Descriptive Headings; Governing Law. The descriptive headings of the paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The construction, validity and interpretation of this Warrant will be governed by the laws of the State of New York with respect to contracts made and to be fully performed therein, without regard to the conflicts of laws principles thereof.

8.4 Successors and Assigns. Subject to Section 6, the provisions of this Warrant shall be binding upon, and inure to the benefit of, the respective heirs, personal representatives, successors and assigns of the parties hereto.

8.5 Severability. In the event that any one or more of the provisions of this Warrant shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Warrant operate or would prospectively operate to invalidate this Warrant, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Warrant and the remaining provisions of this Warrant shall remain operative and in full force and effect and in no way shall be affected, prejudiced or disturbed thereby.

8.6 Waiver of Jury Trial. COMPANY AND REGISTERED HOLDER EACH WAIVE ALL RIGHTS TO TRIAL BY JURY OF ANY SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS OF ANY KIND ARISING UNDER OR RELATING TO THIS AGREEMENT. EACH OF COMPANY AND REGISTERED HOLDER ACKNOWLEDGES THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENTS TO THE OTHER THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY. COMPANY AND REGISTERED HOLDER EACH AGREE THAT ALL SUCH SUITS, CLAIMS, COUNTERCLAIMS AND ACTIONS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

8.7 Adjustments.

(a) If at any time while this Warrant is outstanding there is any change in the outstanding shares of capital stock of the Company by reason of stock dividends, splits, recapitalizations, reclassifications, combinations or exchanges of shares, separations, reorganizations, liquidations, or the like, the number and class of shares available under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Registered Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class and kind of shares as the Registered Holder would have owned had the Warrant been exercised prior to the event and had the Registered Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number of shares of Warrant Stock subject to this Warrant.

(b) If at any time while this Warrant is outstanding there is any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its

assets or other transaction shall be effected in such a way that holders of the Company's capital stock shall be entitled to receive stock, securities or other assets or property (an "***Organizational Change***"), then, as a condition of such Organizational Change, lawful and adequate provisions shall be made by the Company whereby the Registered Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Warrant Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Warrant Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby. In the event of any Organizational Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Registered Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof.

(c) Upon each adjustment of the Warrant and no later than thirty (30) days after the event causing the adjustment has occurred, the Company at its expense shall promptly compute such adjustment and furnish Registered Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Registered Holder a certificate setting forth the Exercise Price and the number of shares of Warrant Stock in effect upon the date thereof, including the series of adjustments leading to such Exercise Price and Warrant Stock.

8.8 No Impairment. The Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Registered Holder against impairment. Prior to the termination of this Warrant according to its terms, the Company will not at any time close its stock transfer books or warrant transfer books so as to result in preventing or delaying the exercise or transfer of this Warrant.

8.9 Loss or Mutilation. Upon receipt by the Company from any Registered Holder of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of this Warrant and, in case of loss, theft or destruction, of indemnity reasonably satisfactory to it and, in case of mutilation, upon surrender and cancellation hereof, the Company will, on such terms as to indemnity or otherwise as it may, in its reasonable discretion impose, execute and deliver in lieu hereof a new Warrant of like tenor in replacement.

8.10 Limitation of Liability. No provision hereof, in the absence of affirmative action by the Registered Holder to purchase shares of Common Stock, and no enumeration herein of the rights or privileges of the Registered Holder, shall give rise to any liability of such Registered Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the Date of Issuance.

PACIFIC DATAVISION

By: _____

Peter Lasensky
Chief Executive Officer and President

EXHIBIT A

IRREVOCABLE SUBSCRIPTION

To: Pacific DataVision

Gentlemen:

(1) The undersigned hereby elects to purchase shares of Common Stock of Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full; or

(2) The undersigned hereby elects to purchase shares of Common Stock of Company pursuant to a non-cash exercise of the Warrant as provided in Section 2.2(a)(iv)(C) of the Warrant.

The certificates for such shares shall be issued in the name of:

_____
(Name)

_____
(Address)

_____
(Taxpayer Number)

and delivered to:

_____
(Name)

_____
(Address)

If the Exercise Period has not expired and the above shares of Common Stock do not include all of the shares of Common Stock issuable as provided in the Warrant, the undersigned directs that a new Warrant of like tenor and date for the balance of the shares of Common Stock issuable under the Warrant be delivered to the undersigned.

Date: _____

Signed: _____
(Name of Registered Holder, Please Print)

_____
(Address)

_____
(Signature)

EXHIBIT B

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

_____
(Name)

_____
(Address)

all right, title and interest of the undersigned under the attached Warrant to purchase shares of Common Stock of Pacific DataVision, to which the Warrant relates, and does hereby irrevocably appoint attorney to register such transfer on the books of Pacific DataVision, with full power of substitution in the premises. If the Exercise Period has not expired and the above shares of Common Stock do not include all of the shares of Common Stock issuable as provided in the Warrant, the undersigned directs that a new Warrant of like tenor and date for the balance of the shares of Common Stock issuable under the Warrant be delivered to the undersigned.

Done this day of 200 .

_____
(Signature)

_____
(Name and title)

_____

_____
(Address)

NOTE AND WARRANT PURCHASE AGREEMENT

PACIFIC DATAVISION

NOTE AND WARRANT PURCHASE AGREEMENT

This Note and Warrant Purchase Agreement (this **"Agreement"**) is entered into as of January 1, 2013 (the **"Effective Date"**), by and among Pacific DataVision, a California corporation (the **"Company"**), and the investors (collectively the **"Investors"** and each individually, an **"Investor"**) set forth in the Schedule of Investors, attached hereto as **Exhibit A** **("Schedule of Investors")**.

In consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. PURCHASE AND SALE OF NOTES AND WARRANTS.

1.1 Issue and Sale of Notes and Warrants. Subject to the terms and conditions of this Agreement, the Investors agree to purchase, and the Company agrees to sell and issue to the Investors, redeemable convertible promissory notes (each a **"Note"**), in an aggregate principal amount of up to approximately $1,000,000 in the form attached hereto as **Exhibit B**.

1.2 Initial Closing. The initial closing **("Initial Closing")** of the purchase and sale of Notes and Warrants shall take place on January 1, 2013. At the Initial Closing, the Investors shall deliver the purchase price for the Notes and Warrants as set forth on **Exhibit A** (the **"Purchase Price"**). The Purchase Price at the Initial Closing shall consist of cash, forgiveness of debt or any combination thereof as approved by the Company's Board of Directors. Principal and accrued interest of the Notes shall be either payable in cash or convertible into Company equity securities pursuant to the terms of the Notes. The Notes may also be redeemed by the Company pursuant to the terms of the Notes.

1.3 Issuances After Initial Closing. From time to time after the Initial Closing and prior to the one year anniversary of the Initial Closing, certain other investors who agree to execute this Agreement may be offered the opportunity to purchase Notes and Warrants. Investors who purchase Notes and Warrants after the Initial Closing pursuant to this Agreement will be added to **Exhibit A** hereto, and all Notes purchased after the Initial Closing shall be included within the terms "Investors," "Investor," "Notes" and "Warrants" for all purposes herein.

2. COMPANY REPRESENTATIONS AND WARRANTIES.

The Company hereby represents and warrants to the Investors that, as of the Effective Date, the statements in the following paragraphs of this Section 2 are all true and correct:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under, and by virtue of the laws of the State of California. The Company has all corporate power and authority to (a) own, lease and operate its properties, to execute and deliver• this Agreement, the Notes and the Warrants (b) to carry out the provisions of this Agreement, the Notes and the Warrants and (c) to conduct its business as currently conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in each jurisdiction in which the conduct of its business

requires such qualification except where failure to be so qualified would not have a material adverse effect on its financial condition, business or operations.

2.2 Due Authorization. All corporate action on the part of the Company, its officers, directors and shareholders, necessary for the sale and issuance of the Notes and Warrants has been taken or will be taken prior to the Initial Closing. This Agreement, the Notes and the Warrants are valid and binding obligations of the Company enforceable against the Company in accordance with their terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

2.3 Valid Issuance of Stock. All shares of Company capital stock, when issued, sold and delivered in accordance with the terms of this Agreement, the Notes and the Warrants will be duly and validly issued, fully paid and nonassessable and will be free of any liens or encumbrances created by the Company.

2.4 Governmental Consents. Except for filings (if any) required under federal and state securities laws, and the rules and regulations thereunder, all consents, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings with any federal or state governmental authority on the part of the Company required in connection with the consummation of the transactions contemplated herein shall have been obtained prior to and be effective as of the Initial Closing. Based in part on the representations of the Investors set forth in Section 3 below, the offer, sale and issuance of the Notes and the Warrants in conformity with the terms of this Agreement are exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the "Securities Act") and exempt from qualifications under applicable blue sky laws.

3. REPRESENTATIONS AND WARRANTIES OF THE INVESTORS.

Each Investor, severally and not jointly, represents and warrants to the Company as follows:

3.1 Due Authorization. All corporate action on the part of the Investor, and, if applicable, its officers, directors, partners and stockholders, necessary for the purchase of the Note and Warrant and the performance of the Investor's obligations under this Agreement has been taken or will be taken prior to the Initial Closing. This Agreement is a valid and binding obligation of the Investor enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

3.2 Investigation. The Investor acknowledges that it has had an opportunity to discuss the business, affairs and current prospects of the Company with the Company's officers. The Investor further acknowledges having had access to all information about the Company that it has requested or considers necessary for purposes of purchasing the Note and the Warrant.

3.3 Purchase for Own Account. The Note and Warrant that the Investor will purchase hereunder and any shares of Company stock issuable upon conversion of the Note and/or exercise of the Warrant (collectively, the "Securities") will be acquired for the Investor's own

account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof, and that the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.4 Exempt from Registration. The Investor understands that the Securities will not be registered under the Securities Act, on the ground that the sale provided for in this Agreement is exempt from registration under the Securities Act, and that the reliance of the Company on such exemption is predicated in part on the Investor's representations set forth in this Agreement.

3.5 Economic Risk. The Investor acknowledges that it is experienced in evaluating and investing in securities of companies in the development stage and acknowledges that it is able to fend for itself in the transactions contemplated by this Agreement and has the ability to bear the economic risks of its investment pursuant to this Agreement.

3.6 Restricted Securities. The Investor understands that the Securities may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that, in the absence of an effective registration statement covering the Securities or an available exemption from registration under the Securities Act, the Securities must be held indefinitely. In particular, the Investor is aware that the Securities may not be sold pursuant to Rule 144 promulgated under the Securities Act unless (i) a public trading market then exists for the Securities, (ii) adequate information concerning the Company is then available to the public, (iii) the Investor has held the Securities for the applicable holding period specified in Rule 144, and (iv) all other terms and conditions of Rule 144 are satisfied.

3.7 Finder's Fees. The Investor represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of the Investor is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. The Investor further agrees to indemnify the Company for any claims, losses or expenses incurred by the Company as a result of the representation in this Section 3.7 being untrue.

3.8 Non-U.S. Investors. If the Investor is not a United States person (as defined by Section 7701 (a)(30) of the Internal Revenue Code of 1986, as amended), such Investor hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Notes, the Warrants or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of a Note and a Warrant, (ii) and foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of a Note or the Warrant. Such Investor's subscription and payment for and continued beneficial ownership of a Note or the Warrant will not violate any applicable securities or other laws of the Investor's jurisdiction.

3.9 Restrictive Legends. It is understood that each Note and each Warrant (and each certificate representing Company equity securities that is issued in connection with the conversion of a Note or the exercise of a Warrant) shall be stamped or otherwise imprinted with legends

substantially in the following forms (in addition to any legend that may now or hereafter be required by applicable state law):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.
>
> THE TRANSFER OF COMPANY COMMON STOCK ISSUABLE PURSUANT TO THE TERMS OF THIS SECURITY IS SUBJECT TO A MARKET STANDOFF RESTRICTION FOR UP TO 180 DAYS FOLLOWING THE PUBLIC STOCK OFFERING OF COMPANY STOCK.

4. CONDITIONS TO INVESTORS' OBLIGATIONS AT THE INITIAL CLOSING.

The obligation of an Investor to purchase a Note is subject to the fulfillment to the satisfaction of the Investor on or prior to the Initial Closing of the following conditions:

4.1 Representations and Warranties. The representations and warranties made by the Company in Section 2 hereof shall be true and correct when made, and shall be true and correct as of the Initial Closing with the same force and effect as if they had been made on and as of said date.

4.2 Performance. The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Initial Closing and shall have obtained all approvals, consents and qualifications necessary to complete the purchase and sale described herein.

5. CONDITIONS TO COMPANY'S OBLIGATIONS AT THE INITIAL CLOSING.

The obligations of the Company under this Agreement are subject to the fulfillment at or before the Closing of the following conditions:

5.1 Representations and Warranties. The representations and warranties of the Investors contained in Section 3 hereof shall be true as of the Initial Closing with the same force and effect as if they had been made on and as of said dates, subject to changes contemplated by

this Agreement.

5.2 Payment of Purchase Price. The Investors shall have delivered to the Company the Purchase Price for the Notes and Warrants as set forth in Section 1.2 hereof.

5.3 Authorizations. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful issuance and sales of the Notes and Warrants pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Initial Closing.

6. MISCELLANEOUS.

6.1 Governing Law.

6.1.1 This Agreement, the Notes and the Warrants shall be governed in all respects by the laws of the State of California, without regard to the conflict of law provisions thereof.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the respective successors and assigns of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.3 Entire Agreement. This Agreement, the Notes and the Warrants and the other documents and agreements delivered pursuant hereto constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

6.4 Notices. Except as otherwise provided, all notices and other communications required or permitted hereunder or pursuant to the Notes or Warrants shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (i) upon delivery, if delivered by hand, (ii) one (1) business day after the day of deposit with Federal Express or similar overnight courier, freight prepaid, if delivered by overnight courier or (iii) one (1) business day after the day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed, (a) if to an Investor•, at such Investor's address set forth on Exhibit A, or at such other address as such Investor shall have furnished the Company in writing, or (b) if to the Company, at the following address:

Pacific DataVision
Attn: Chief Executive Officer
100 Hamilton Plaza Lobby Level
Paterson, NJ 07505
Facsimile: 973-473-0303

With a copy to:

DLA Piper LLP (US)
Attn: Jeffrey Thacker, Esq.
4365 Executive Drive, Suite 1100
San Diego, CA 92121-2133
Fax: (858) 677-1401

or at such other address as the Company shall have furnished to the Investors in writing.

6.5 Market Standoff Agreement. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, each Investor agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any equity securities of the Company, however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering. In addition, each Investor agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within twelve months after the closing date of the initial public offering, provided that the duration of the market standoff period with respect to such additional registration shall not exceed ninety (90) days from the effective date of such additional registration statement.

6.6 Amendments and Waivers. This Agreement, the Notes and the Warrants and any term hereof and thereof may only be amended, waived, discharged or terminated by a written instrument signed by the Company and the holders of a majority of the principal amount of the Notes then outstanding, provided, however, that the Company may increase or decrease the aggregate amount of Notes to be issued set forth in Section 1.1 in its sole discretion. In no event shall the obligation of the Investors to purchase Notes, the Warrants or other securities hereunder be increased, except upon the written consent of all the Investors.

6.7 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Company or to the Investors upon a breach or default of any party hereto under this Agreement shall impair any such right, power or remedy of the Company or the Investors, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of the Company or the Investors of a breach or default under this Agreement, or any waiver on the part of the Company or the Investors of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to the Company or the Investors, shall be cumulative and not alternative.

6.8 Third Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement

intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action against any party to this Agreement.

6.9 Titles and Subtitles. The titles of the paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, either by original signature or facsimile, but all of which together shall constitute one instrument. Original signatures hereto may be delivered by facsimile or by portable data format (PDF) which shall be deemed originals.

6.11 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

6.12 Future Agreements. The Investor understands and agrees that the conversion of the Notes into, and the sale and purchase of equity securities of the Company may require such Investor's execution of certain agreements relating to the purchase and sale of such securities as well as registration, co-sale and voting rights, if any, relating to such equity securities. The Investor agrees to execute such agreements and documents and to provide such cooperation and assistance as reasonably requested by the Company in connection with the issuance of such equity securities.

IN WITNESS WHEREOF, the parties hereto have executed this Note and Warrant Purchase Agreement as of the date first written above.

COMPANY:

Pacific DataVision

By: /s/ John Pescatore

John Pescatore
Chief Executive Officer

INVESTORS:

Andrew Daskalakis
Brian D. McAuley
Brian D. McAuley, as Trusteee for Beth Kathryn McAuley
Brian D. McAuley, as Trusteee for Christian Brian McAuley
Brian D. McAuley, as Trusteee for Mary Elizabeth McAuley
Brian D. McAuley, as Trusteee for Tricia Florence McAuley
John C. Sites, Jr.
John C. Pescatore
Morgan O'Brien
Northwood Capital Partners, LLC
Northwood Ventures, LLC
SK Partners
Southfield Communications
Richard Rohmann
Eileen Gildea
Steve Schreiber
James Dahl
Arthur Cahoon
Michelle Pescatore

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE TRANSFER OF COMPANY COMMON STOCK ISSUABLE PURSUANT TO THE TERMS OF THIS SECURITY IS SUBJECT TO A MARKET STANDOFF RESTRICTION FOR UP TO 180 DAYS FOLLOWING THE PUBLIC STOCK OFFERING OF COMPANY STOCK.

PACIFIC DATAVISION
REDEEMABLE CONVERTIBLE PROMISSORY NOTE

Note 2013-

$[Principal Amount of Note] January , 2013

This Redeemable Convertible Promissory Note ("Note") is one of a series of notes (the "Notes") issued in connection with that certain Note and Warrant Purchase Agreement between Pacific DataVision, a California corporation (the "Company") and the Investors listed on Exhibit A thereto, dated January , 2013 (the "Purchase Agreement"). Subject to the terms and conditions of this Note and the Purchase Agreement, the Company promises to pay to the order of **[Name of Noteholder]** (the "Holder") in lawful money of the United States and in immediately available funds, the principal amount of **$[Principal Amount of Note]** plus any accrued and unpaid interest, on June 30, 2015 (the "Maturity Date"). Interest at the rate of ten percent (10%) per annum compounded quarterly shall accrue on the unpaid principal amount of this Note commencing on the date hereof and shall be paid pursuant to the terms of this Note.

The following is a statement of the rights of the Holder and the terms and conditions to which this Note is subject, and to which the Company, by the issuance of this Note, and the Holder hereof, by the acceptance of this Note, agree:

1. Payment.

1.1 Payment. In the event that the Note has not either been redeemed by the Company or converted into Company equity pursuant to Section 2 below, payment of the principle balance and any unpaid but accrued interest is due on June 30, 2014.

2. Redemption by the Company and Optional Conversion.

2.1 Redemption. The Notes are redeemable, at the option of the Company, through June 30, 2014 at 140% of principal amount plus accrued interest and may be redeemed in whole or in part on a pro-rata basis among all holders of the Notes.

2.2 Optional Conversion. Unless this Note is previously redeemed by the Company, as per 2.1 above, upon the election of the Holder at any time subsequent to June 30, 2014 but prior to the date which is five (5) days prior to a Liquidation Event, the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon (or in each case, any portion thereof) may be converted into shares of the Company's Series AA Preferred Stock (the "**Series AA Preferred**"). The number of shares of Series AA Preferred to be issued upon conversion of this Note pursuant to this Section 2.1 shall be equal to the quotient obtained by dividing (i) the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon by (ii) $0.40, rounded down to the nearest whole share.

3. Detachable Warrants

3.1 Detachable Warrants. For every $1,000 of principal amount of the Note, the Holder will also receive detachable warrants to purchase 5,000 shares of Series AA Preferred stock at $0.40 per share. The warrants shall be detachable and exercisable commencing July 1, 2014, and shall expire on January 1, 2018.

4. Events of Default.

4.1 Definition. The occurrence of any of the following events shall be deemed to constitute an "**Event of Default**" hereunder: (a) the failure of the Company after the Maturity Date to pay the principal and accrued interest under this Note; or (b) any Liquidation Event (as defined below).

4.2 Liquidation Event. If there shall occur (a) any Liquidation Event, the entire unpaid principal and accrued but unpaid interest on this Note shall automatically become due and payable, without any requirement by the Holder to give notice, present the Note, make demand, protest or give other notice of any kind of character, all of which are hereby expressly waived, anything herein to the contrary notwithstanding, and (b) any Event of Default (other than a Liquidation Event), then the Holder may declare the entire unpaid principal and accrued but unpaid interest on this Note immediately due and payable, by notice in writing to the Company, whereupon the entire unpaid principal and accrued but unpaid interest on this Note shall automatically become due and payable, without any further requirement by the Holder to present the Note, make demand, protest or give additional notice of any kind of character, all of which are hereby expressly waived, anything herein to the contrary notwithstanding. As used herein, "**Liquidation Event**" means the occurrence or institution by or against the Company of (i) any bankruptcy, reorganization, receivership or insolvency proceeding, (ii) any appointment of a receiver or custodian for all or a substantial portion of the Company's property; (iii) any assignment for the benefit of, or composition or arrangement with, the creditors of the Company (whether or not pursuant to bankruptcy or other insolvency laws), or (iv) any dissolution, liquidation, or other marshalling of the assets and liabilities of the Company.

5. The Holder's Rights on Default. Upon the occurrence and during the continuance of any Event of Default, the Holder shall have all the rights provided to a creditor in the California Commercial Code and all other rights available at law or in equity.

6. Transfer; Successors and Assigns. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Note. Notwithstanding the foregoing, the Holder may not assign, pledge, or otherwise transfer this Note without the prior written consent of the Company. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee or assignee, as applicable. Interest and principal are payable only to the registered holder of this Note.

7. Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and the Holders of at least a majority of the aggregate principal amount of the Promissory Notes then outstanding; provided, however, that the terms of any such amendment, waiver or modification shall apply equally to all outstanding Promissory Notes.

8. Notices. Except as otherwise provided, all notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (i) upon delivery, if delivered by hand, (ii) one (1) business day after the day of deposit with Federal Express or similar overnight courier, freight prepaid, if delivered by overnight courier or (iii) one (1) business day after the day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed, (a) if to the Holder, at Holder's address set forth on Exhibit A of the Purchase Agreement, or at such other address as such Holder shall have furnished the Company in writing, or (b) if to the Company, at the following address:

Pacific DataVision
Attn: Chief Executive Officer
100 Delawanna Avenue
Suite 501
Clifton, NJ 07014 Fax: (973) 473-0303

With a copy to:

DLA Piper LLP (US)
Attn: Jeffrey Thacker, Esq.
4365 Executive Drive, Suite 1100
San Diego, CA 92121-2133
Fax: (858) 677-1401

or at such other address as the Company shall have furnished to the Holder in writing.

9. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California, excluding that body of law relating to conflict of laws. Any conflict or claim relating to this Note will be settled through binding arbitration as set forth in the Purchase Agreement.

10. Headings; References. All headings used herein are used for convenience only and will not be used to construe or interpret this Note. Except where otherwise indicated, all references herein to Sections refer to Sections hereof.

* * * * *

IN WITNESS WHEREOF, this Convertible Secured Promissory Note is executed as of the date first written above.

COMPANY:

Pacific DataVision

By: _____

John Pescatore
Chief Executive Officer

PACIFIC DATAVISION

AMENDMENT
TO 2013 NOTE

May 30, 2014

This Amendment to 2013 Note, effective as of the date set forth above, is entered into by and between Pacific DataVision (the "***Company***") and each of the holders (each a "***Holder***") of the 2013 Notes (defined below).

RECITALS

WHEREAS, the Company issued various Redeemable Convertible Promissory Notes (the "***2013 Notes***") pursuant to that certain Note and Warrant Purchase Agreement, dated on or around January 2013.

WHEREAS, Section 7 of the 2013 Notes provide that each of the 2013 Notes may be amended, waived or modified upon the written consent of the Company and the Holders of at least a majority of the aggregate principal amount of the 2013 Notes then outstanding (the "***Consenting Holders***"); provided, however, that the terms of any such amendment, waiver or modification shall apply equally to all outstanding Notes.

WHEREAS, the Company is in the process of completing a recapitalization and common stock offering pursuant to which the Company shall (i) convert all Series AA Preferred stock of the Company to shares of common stock of the Company, (ii) conduct a reverse-stock split of all outstanding shares of common stock of the Company on approximately a 20:1 to 45:1 basis, and (iii) offer shares of common stock of the Company in connection with the purchase of spectrum assets from Sprint Corporation.

WHEREAS, the Consenting Holders now desire to amend the 2013 Notes to provide for an automatic conversion of the 2013 Notes to shares of common stock of the Company upon the occurrence of certain events as set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the Consenting Holders and the Company agree to amend the 2013 Notes as provided herein.

AGREEMENT

1. Section 1.1 of each of the 2013 Notes is hereby amended and restated in its entirety as follows:

"1.1 Payment. The principal balance and any unpaid but accrued interest hereunder shall be due upon (a) in the event that certain private placement of shares of the common stock of the Company (the "***Offering***"), with sufficient proceeds to accomplish the purchase of spectrum assets from Sprint Corporation to the Company pursuant to that certain Asset Purchase

Agreement, dated May 13, 2014, by and between Sprint Corporation and the Company (the ***"Sprint APA"***), has not been completed by June 30, 2014, payment of the principal balance and any unpaid but accrued interest hereunder is due on June 30, 2014, or (b) in the event that the Offering has been completed on or prior to June 30, 2014, the earlier of the date upon which the FCC shall to decline to provide the approvals required (the ***"Required FCC Approval"***) for the transfer of spectrum assets from Sprint Corporation to the Company pursuant to the Sprint APA or termination of the Sprint APA pursuant to its terms (the earlier of such dates, the ***"FCC Termination Date"***). In the event that the Required FCC Approval is obtained prior to the FCC Termination Date, then Section 2.3 shall apply in lieu of payment against this Note."

2. Section 2.1 of each of the 2013 Notes is hereby amended and restated in its entirety as follows:

"2.1 [Reserved]."

3. Section 2.2 of each of the 2013 Notes is hereby amended by replacing the first sentence of such section with the following:

"Unless this Note is repaid pursuant to Section 1.1 above or automatically converted pursuant to Section 2.3 below, then upon the election of the Holder at any time subsequent to the later of (i) June 30, 2014 or (ii) in the event that the Offering is completed, the FCC Termination Date, but prior to the date which is five (5) days prior to a Liquidation Event, the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon (or in each case, any portion thereof) may be converted into shares of the Company's Series AA Preferred Stock (the ***"Series AA Preferred"***)***."***

4. A new Section 2.3 of each of the 2013 Notes is hereby added to read as follows:

"2.3. Automatic Conversion. Immediately upon the receipt of the Required FCC Approval, the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon, shall automatically and without any further action of the Company or the Holder be converted into a number of shares of common stock of the Company equal to: (a) 140% of the then-outstanding principal amount of this Note plus accrued and unpaid interest, divided by (b) the price at which shares of the Company's common stock are offered under the Offering (the "***Offering Price***").

5. Section 3.1 of each 2013 Note is hereby amended by replacing the last sentence of such section with the following:

"In the event that this Note is not repaid pursuant to Section 1.1 above or automatically converted pursuant to Section 2.3 above, the warrants shall be detachable and exercisable commencing upon the later of (i) July 1, 2014, or (ii) the FCC Termination Date, and shall expire on January 1, 2018."

6. Except as amended hereby, each of the 2013 Notes remains in full force and effect.

7. This Amendment to 2013 Note may be executed in counterparts, including electronically, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to Redeemable Convertible Promissory Note to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

"COMPANY"

PACIFIC DATAVISION

By: /s/ John C. Pescatore
Name: John C. Pescatore
Title: President and Chief Executive Officer

"HOLDER"

THE SIGNATURE PAGE TO PACIFIC DATAVISION CONSENT ACTION EXECUTED BY THE HOLDER IS HEREBY APPENDED HERETO AS EVIDENCE OF SUCH HOLDER'S EXECUTION AND ADOPTION OF THIS AMENDMENT TO 2013 NOTE.

NOTEHOLDERS:

Andrew Daskalakis
Arthur Cahoon
Brian D. McAuley, as Trusteee for Beth Kathryn McAuley
Brian D. McAuley, as Trusteee for Christian Brian McAuley
Brian D. McAuley, as Trusteee for Mary Elizabeth McAuley
Brian D. McAuley, as Trusteee for Tricia Florence McAuley
Brian D. McAuley
Eileen Gildea
Goolock Associates
James Dahl
John C. Pescatore
John C. Sites, Jr.
Joseph Oakes
Michelle Pescatore
Morgan O'Brien
Northwood Capital Partners, LLC
Northwood Ventures, LLC
SK Partners
Southfield Communications
Richard Rohmann
Steve Schreiber

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

PACIFIC DATAVISION and BRIAN D. McAULEY
WORKING CAPITAL ADVANCE AGREEMENT FOR UP TO $3,000,000

DATED as of AUGUST 1, 2010

This agreement (the "Agreement") between Pacific DataVision, Inc., a California corporation (the "Company") and Brian D, McAuley (the Lender) specifies the terms under which the Lender may make periodic advances (individually an "Advance" or collectively "Advances") to the Company for its working capital needs. Subject to the terms and conditions of this Agreement, the Company promises to pay (in accordance with the Payment Terms below) to the order of Brian D. McAuley (the "Lender") in lawful money of the United States and in immediately available funds, the principal amount of advances made hereunder plus any accrued and unpaid interest. Interest at the rate of ten percent (10%) per annum shall accrue on the unpaid principal amount of Advances made hereunder.

The Advances shall be made by request to Lender delivered five business days prior to the date when the funds are to be received by the Company.

The following is a statement of the terms and conditions to which each Advance is subject. The Company is deemed to have received such Advances on the date such fund are actually received in the Company's bank account. By execution of this Agreement, the Company and Lender agree:

Payment Terms.

Commencing not later than September 30, 2015, the Company shall repay to the Lender fifty thousand dollars ($50,000.00) per quarter (on the last day of such quarter) of principal plus interest earned for the quarter then ended until the entire principal shall have been repaid; thereafter the Company shall pay fifty thousand dollars ($50,000.00) per quarter of previously accrued interest until the entire accrued interest has been paid in full.

Prepayment.

The Company may prepay in whole or in part its obligation under this Agreement without penalty. Such prepayment shall first be applied to reduction of the principal amount due under this Agreement and when the full amount of the principal is repaid then to a reduction of accrued interest.

Events of Default.

The occurrence of any of the following events shall be deemed to constitute an "Event of Default" hereunder: (a) the failure of the Company after July 1, 2015 to pay the principal and accrued interest under this Agreement; (b) if there is an uncured default with respect to any Note(s) of the Company or (c) any Liquidation Event (as defined below).

Liquidation Event. If there shall occur (a) any Liquidation Event, the entire unpaid principal and accrued but unpaid interest of Advances under this Agreement shall automatically become due and payable; (b) any Event of Default (other than a Liquidation Event), then the Lender may declare the entire unpaid principal and accrued but unpaid interest on Advances under this Agreement immediately due and payable, by notice in writing to the Company. As used herein, "Liquidation Event" means the occurrence or institution by or against the Company of (i) any bankruptcy, reorganization, receivership or insolvency proceeding, (ii) any appointment of a receiver or custodian for all or a substantial portion of the Company's property; (iii) any assignment for the benefit of, or composition or arrangement with, the creditors of the Company (whether or not pursuant to bankruptcy or other insolvency laws), (iv) any dissolution, liquidation, or — other marshalling of the assets and liabilities of the Company or (v) any transaction that results in the current shareholders owning less than 50% of the outstanding voting securities of the Company.

Transfer; Successors and Assigns.

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Agreement.

Waiver and Amendment.

Any provision of this Agreement may be amended, waived or modified only upon the written consent of the Company and the Lender

Notices.

Except as otherwise provided, all notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (i) upon delivery, if delivered by hand, (ii) one (1) business day after the day of deposit with Federal Express or similar overnight courier, freight prepaid, if delivered by overnight courier or (iii) one (1) business day after — the day of facsimile transmission or electronic delivery and shall be addressed, (a) if to the Lender, at Lender's address set forth below, or at such other address as such Lender shall have furnished the Company in writing, or (b) if to the Company, at its address below:

LENDER
Brian D. McAuley
253 Indian Trail Drive
Franklin Lakes, NJ 07417

Facsimile: 201-560-9906
Electronic: bmcauley@aol.com

COMPANY
Pacific DataVision
Attn: Chief Executive Officer
100 Hamilton Plaza
Paterson, New Jersey 07505

Facsimile: 973-473-0303
Electronic: jpescatore@pdvcorp.com

Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. Any conflict or claim relating to this Agreement will be settled through binding arbitration.

Headings; References

All headings used herein are used for convenience only and will not be used to construe or interpret this Agreement. Except where otherwise indicated, all references herein to Sections refer to Sections of this Agreement.

COMPANY:

Pacific DataVision, Inc.

By: /s/ John Pescatore
John Pescatore
Chief Executive Officer

LENDER:

By: /s/ Brian D. McAuley
Brian D. McAuley

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

PACIFIC DATAVISION
AMENDED AND RESTATED PROMISSORY NOTE

$594,591.78 September 1, 2010

Pacific DataVision, a California corporation (the "**Company**") promises to pay to the order of Brian McAuley or his designee (the "**Holder**") in lawful money of the United States and in immediately available funds, the principal amount of $**594,591.78,** plus any accrued and unpaid interest. Interest at the rate of ten percent (10%) per annum, compounded quarterly, shall accrue on the unpaid principal amount of this Note commencing on the date hereof and shall be paid pursuant to the terms herein.

This Amended and Restated Promissory Note (this "**Note**") amends and restates the Promissory Note dated August 28, 2009 originally issued by the Company to the Holder (the "**Original Note**"). The Original Note is hereby superseded, terminated and of no further force or effect.

1. Interest. Interest shall accrue beginning on the date hereof and shall continue to accrue on the unpaid principal hereof until this Note is paid in full. Notwithstanding the provisions of this Note, if the rate of interest payable hereunder is limited by law, the rate payable hereunder shall be the lesser of: (a) the rate set forth in this Note; or (b) the maximum rate permitted by law.

2. Payments. Payments shall be made in quarterly installments on the 25th day following the last day of each and every calendar quarter (i.e., July 25, October 25, January 25 and April 25) of each year beginning on July 25, 2011, and continuing until June 30, 2013 (the **"Maturity Date**"), at which time the entire balance of principal and interest hereunder shall be due and payable on the demand of the Holder. Each quarterly payment shall be in an amount equal to the greater of (i) $15,000, or (ii) ten percent (10%) of the Company's quarterly EBITDA (as defined below). Each payment made on this Note shall be credited first against principal and the remainder against interest. Notwithstanding the foregoing, if any quarterly installment or any

part of any quarterly installment is not paid within fourteen (14) days after the date such payment is due (a "**Default**") and the Company fails to cure such Default by paying such installment within three (3) days after receipt of written notice from the Holder of any such payment Default, the Maturity Date may be accelerated pursuant to Section 3 hereof. For purposes hereof, "***EBITDA***" shall mean the Company's earnings for the relevant quarter prior to reductions for interest, income tax expense, depreciation and amortization as determined in accordance with generally accepted accounting principles in the United States applied on a basis consistent with prior periods.

3. Remedies. During the continuance of a Default, Holder shall have the right to (i) accelerate the payment of the amounts due by Company hereunder such that the outstanding balance of principal and interest hereunder shall become immediately due and payable, and (ii) enforce this Note by exercise of the rights and remedies granted to it by applicable law. The Company shall pay all reasonable attorneys' fees and court costs incurred by Holder in enforcing and collecting this Note as a result of a Default.

4. Assignment. The rights and obligations of the Company and the Holder of this Note shall be binding upon and benefit the successors, assigns, heirs, administrator and transferees of the parties.

5. Waiver and Amendment. Any provision of this Note may be amended, waived or modified (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely), upon the written consent of the Company and the Holder, and shall be binding upon the Company and the Holder.

6. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given (a) upon actual delivery to the party to be notified, (b) 24 hours after confirmed facsimile or e-mail transmission, (c) one (1) business day after deposit with a recognized overnight courier, or (d) three (3) business days after deposit with the U.S. Postal Service by first class certified or registered mail, postage prepaid, return receipt requested, addressed or sent (x) if to the Holder, at the Holder's address set forth on the Company's books and records, or at such other address as the Holder shall have furnished to the Company in writing upon ten (10) days' notice, or (y) if to the Company, at its address set forth on the Company's signature page below, or at such other address as the Company shall have furnished to the Holder in writing upon ten (10) days' notice.

7. Governing Law. This Note is being delivered in and shall be construed in accordance with the laws of the State of California, without regard to the conflicts of laws provisions thereof.

8. Heading; References. All headings used herein are used for convenience only and shall not be used to construe or interpret this Note. Except as otherwise indicated, all references herein to Sections refer to Sections hereof.

9. Delays. No delay by the Holder in exercising any power or right hereunder shall operate as a waiver of any power or right.

10. Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

11. No Impairment. The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Note and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Note against impairment.

IN WITNESS WHEREOF, the parties have caused this Note to be issued on the day and year first above written.

COMPANY:

PACIFIC DATAVISION

By: /s/ John Pescatore
Name: John Pescatore
Title: CEO

PACIFIC DATAVISION

AMENDMENT #1 TO AMENDED AND RESTATED PROMISSORY NOTE

This Amendment to the Amended and Restated Promissory Note (this "Amendment") is made as of March 31, 2011 by and among **PACIFIC DATAVISION,** a California corporation (the "Company") and **Brian D. McAuley** (the "Holder"). Unless othenvise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Notes referred to below.

RECITALS

WHEREAS, the Company issued the Amended and Restated Promissory Note in the aggregate principal amount of **$594,591.78,** (the "Note") to the Holder on September 1, 2010.

WHEREAS, the Company and the Holder desire to modify certain provisions of the Note in order extend the maturity date and other such terms as noted below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Maturity Date. The maturity date of the Note is here-by amended to June 30, 2015.

2. Payments: Section 2. Payments is hereby replaced with the following: Section 2. Payments: There will be no payments due Holder until June 30, 2015 (the **"Maturity Date").** At such time the entire balance of principal and interest hereunder shall be due and payable on the demand of the Holder.

3. Effect of Amendment. Except to the extent amended hereby, all of the definitions, terms, provisions and conditions set forth in the Notes are hereby ratified and confirmed and shall remain in full force and effect. Upon the effectiveness of this Amendment, the Note and this Amendment shall be read and construed together as a single agreement and the term "Note" in reference to any of the Notes shall henceforth be deemed a reference to the applicable Note as amended by this Amendment.

4. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Amendment, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Amendment, except as expressly provided in this Amendment.

5. Governing Law. This Amendment shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

6. Counterparts, This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile, PDF electronic delivery or otherwise) to the other party, it being understood that all parties need not sign the same counterpart.

7. Severability. If one or more provisions of this Amendment are held to be unenforceable under applicable law, such provision shall be excluded from this Amendment and the balance of the Amendment shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

8. Entire Agreement. This Amendment, together with the Note and the agreements executed pursuant hereto and thereto, constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Convertible Promissory Notes as of the date first above written.

PACIFIC DATAVISION

By: /s/ John Pescatore
Name: John Pescatore
Title: CEO

HOLDER:

/s/ Brian D. McAuley

Brian D. McAuley

EXHIBIT 4.11

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE TRANSFER OF COMPANY COMMON STOCK ISSUABLE PURSUANT TO THE TERMS OF THIS SECURITY IS SUBJECT TO A MARKET STANDOFF RESTRICTION FOR UP TO 180 DAYS FOLLOWING THE PUBLIC STOCK OFFERING OF COMPANY STOCK.

PACIFIC DATAVISION
CONVERTIBLE PROMISSORY NOTE

Note 2010-

$[Principal Amount of Note] December , 2010

This Convertible Secured Promissory Note ("Note") is one of a series of notes (the "Notes") issued in connection with that certain Release and Securities Issuance Agreement between Pacific DataVision, a California corporation (the "Company") and the employees listed on the signature pages thereto, dated December , 2010 (the "Securities Issuance Agreement"). Subject to the terms and conditions of this Note and the Securities Issuance Agreement, the Company promises to pay to the order of **[Name of Noteholder]** (the "Holder") in lawful money of the United States and in immediately available funds, the principal amount of $**[Principal Amount of Note]** (as may be reduced pursuant to Section 1.1 below) plus any accrued and unpaid interest on the earlier of (i) in the event the Holder's employment is terminated by the Company without Cause (as defined below), such termination date, or (ii) June 30, 2013 (the "Maturity Date"). Interest at the rate of ten percent (10%) per annum shall accrue on the unpaid principal amount of this Note commencing as of April 1, 2009 and shall be paid pursuant to the terms of this Note.

For purposes of the foregoing, "Cause" shall mean the occurrence of any of the following events during the Holder's employment period with the Company: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of the Holder with respect to Holder's obligations or otherwise relating to the business of Company; (b) Holder's material breach of its Nondisclosure Agreement with the Company; (c) Holder's conviction or entry of a plea of nolo contendere for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; and (d) Holder's willful neglect of duties as determined in the sole and exclusive discretion of the Company's Board of Directors.

The following is a statement of the rights of the Holder and the terms and conditions to which this Note is subject, and to which the Company, by the issuance of this Note, and the Holder hereof, by the acceptance of this Note, agree:

1. Payment.

1.1 Payment. In the event that the Note has not converted into Company equity pursuant to Section 2 below and the Company achieves EBITDA (as defined below) in an amount equal to or greater than $5,000 for any quarter (the "EBITDA Threshold"), within thirty (30) days following such quarter, the Company agrees to use up to 20% of the EBITDA Threshold (the "EBITDA Amount") to pay the outstanding and unpaid principal, together with any then unpaid and accrued interest, to the holders of the Notes on a pro rata basis pursuant to Section 1.2 below. In the event the EBITDA Amount is insufficient to pay the outstanding and unpaid principal and accrued interest, the Company shall pay any remaining amounts owed to the holders of the Notes within thirty (30) days of any subsequent quarter in which the Company achieves the EBITDA Threshold, provided however, in no event shall the Company be required to pay in excess of 20% of the EBITDA Threshold to the holders of the Notes in any quarter. For purposes hereof, "EBITDA" shall mean the Company's earnings for the relevant quarter prior to reductions for income tax expense, depreciation and amortization.

1.2 Pro Rata Payments. Any payments to the holders of Notes by the Company pursuant to Section 1.1 will be made on a pro rata basis among such holders of Notes based on the amount of principal and interest outstanding for each Note divided by the aggregate amount of principal and interest outstanding for all Notes subject to this section (for example, if a Note holder has $3,000 of principal and accrued interest and the aggregate amount of outstanding principal and interest under the Notes subject to Section 1.1 equals $30,000, then that holder will receive 10% of any payments made to the holders of Notes under Section 1.1).

2. Optional Conversion. Unless this Note is previously repaid, upon the election of the Holder at any time prior to the date which is five (5) days prior to a Liquidation Event, the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon (or in each case, any portion thereof) shall be converted into shares of the Company's Series AA Preferred Stock (the "Series AA Preferred"). The number of shares of Series AA Preferred to be issued upon conversion of this Note pursuant to this Section 2.1 shall be equal to the quotient obtained by dividing (i) the entire then-outstanding principal amount of this Note and accrued and unpaid interest thereon by (ii) $0.40, rounded down to the nearest whole share.

3. Events of Default.

3.1 Definition. The occurrence of any of the following events shall be deemed to constitute an "Event of Default" hereunder: **(**a) the failure of the Company after the Maturity Date to pay the principal and accrued interest under this Note; or (b) any Liquidation Event (as defined below).

3.2 Liquidation Event. If there shall occur (a) any Liquidation Event, the entire unpaid principal and accrued but unpaid interest on this Note shall automatically become due and payable, without any requirement by the Holder to give notice, present the Note, make

demand, protest or give other notice of any kind of character, all of which are hereby expressly waived, anything herein to the contrary notwithstanding, and (b) any Event of Default (other than a Liquidation Event), then the Holder may declare the entire unpaid principal and accrued but unpaid interest on this Note immediately due and payable, by notice in writing to the Company, whereupon the entire unpaid principal and accrued but unpaid interest on this Note shall automatically become due and payable, without any further requirement by the Holder to present the Note, make demand, protest or give additional notice of any kind of character, all of which are hereby expressly waived, anything herein to the contrary notwithstanding. As used herein, "Liquidation Event" means the occurrence or institution by or against the Company of (i) any bankruptcy, reorganization, receivership or insolvency proceeding, (ii) any appointment of a receiver or custodian for all or a substantial portion of the Company's property; (iii) any assignment for the benefit of, or composition or arrangement with, the creditors of the Company (whether or not pursuant to bankruptcy or other insolvency laws), or (iv) any dissolution, liquidation, or other marshalling of the assets and liabilities of the Company.

4. The Holder's Rights on Default. Upon the occurrence and during the continuance of any Event of Default, the Holder shall have all the rights provided to a creditor in the California Commercial Code and all other rights available at law or in equity.

5. Transfer: Successors and Assigns. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Note. Notwithstanding the foregoing, the Holder may not assign, pledge, or otherwise transfer this Note without the prior written consent of the Company. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee or assignee, as applicable. Interest and principal are payable only to the registered holder of this Note.

6. Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and the Holders of at least a majority of the aggregate principal amount of the Promissory Notes then outstanding; provided, however, that the terms of any such amendment, waiver or modification shall apply equally to all outstanding Promissory Notes.

7. Notices. Except as otherwise provided, all notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (i) upon delivery, if delivered by hand, (ii) one (1) business day after the day of deposit with Federal Express or similar overnight courier, freight prepaid, if delivered by overnight courier or (iii) one (1) business day after the day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed, (a) if to the Holder, at Holder's address set forth on Exhibit A of the Purchase Agreement, or at such other address as such Holder shall have furnished the Company in writing, or (b) if to the Company, at the following address:

Pacific DataVision
Attn: Chief Executive Officer

100 Delawanna Avenue
Suite 501
Clifton, NJ 07014
Fax: (973) 473-0303

With a copy to:

DLA Piper LLP (US)
Attn: Jeffrey Thacker, Esq.
4365 Executive Drive, Suite 1100
San Diego, CA 92121-2133
Fax: (858) 677-1401

or at such other address as the Company shall have furnished to the Holder in writing.

8. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California, excluding that body of law relating to conflict of laws. Any conflict or claim relating to this Note will be settled through binding arbitration as set forth in the Purchase Agreement.

9. Headings; References. All headings used herein are used for convenience only and will not be used to construe or interpret this Note. Except where otherwise indicated, all references herein to Sections refer to Sections hereof.

IN WITNESS WHEREOF, this Convertible Secured Promissory Note is executed as of the date first written above.

COMPANY:

Pacific DataVision

By: _____

John Pescatore
Chief Executive Officer

PACIFIC DATAVISION

AMENDMENT #1 TO CONVERTIBLE PROMISSORY NOTES

This Amendment to the Convertible Secured Promissory Note (this "Amendment") is made as of June , 2012 by and among PACIFIC DATAVISION, a California corporation the "Company") and **[Name of Noteholder]** (the "Holder"), Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Notes referred to below,

RECITALS

WHEREAS, the Company issued the Convertible Secured Promissory Note, 2010- in the aggregate principal amount of $**[Principal Amount of Note]**, (the "Note") to the Holder on December , 2010.

WHEREAS, the Holder is also an employee of the Company as of May 31, 2012.

WHEREAS, the Company and the Holder desire to modify certain provisions of the Note in order extend the maturity date and other such terms as noted below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Maturity Date. The maturity date of the Note is hereby amended to June 30, 2014.

2, Effect of Amendment. Except to the extent amended hereby, all of the definitions, terms, provisions and conditions set forth in the Notes are hereby ratified and confirmed and shall remain in full force and effect. Upon the effectiveness of this Amendment, the Note and this Amendment shall be read and construed together as a single agreement and the term "Note" in reference to any of the Notes shall henceforth be deemed a reference to the applicable Note as amended by this Amendment.

3, Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Amendment, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Amendment, except as expressly provided in this Amendment.

4. Governing Law. This Amendment shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile, PDF electronic delivery or otherwise) to the other party, it being understood that all parties need not sign the same counterpart.

6, Severability. If one or more provisions of this Amendment are held to be unenforceable under applicable law, such provision shall be excluded from this Amendment and the balance of the

Amendment shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

7. Entire Agreement. This Amendment, together with the Note and the agreements executed pursuant hereto and thereto, constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Convertible Promissory Notes as of the date first above written.

COMPANY:

Pacific DataVision

By: _____
John Pescatore
Chief Executive Officer

HOLDER:

_____

PACIFIC DATAVISION

AMENDMENT #2 TO CONVERTIBLE PROMISSORY NOTES

This Amendment to the Convertible Secured Promissory Note (this "Amendment") is made as of January , 2013 by and among PACIFIC DATAVISION, a California corporation (the "Company") and **[Name of Noteholder]** (the "Holder"). Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Notes referred to below.

RECITALS

WHEREAS, the Company issued the Convertible Secured Promissory Note, 2010- in the aggregate principal amount of $**[Principal Amount of Note]**, (the "Note") to the Holder on December , 2010.

WHEREAS, the Holder is also an employee of the Company as of January 2, 2013,

WHEREAS, the Company and the Holder desire to modify certain provisions of the Note in order extend the maturity date and other such terms as noted below,

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. Maturity Date. The maturity date of the Note is here-by amended to June 30, 2015.

1. Effect of Amendment. Except to the extent amended hereby, all of the definitions, terms, provisions and conditions set forth in the Notes are hereby ratified and confirmed and shall remain in full force and effect. Upon the effectiveness of this Amendment, the Note and this Amendment shall be read and construed together as a single agreement and the term "Note" in reference to any of the Notes shall henceforth be deemed a reference to the applicable Note as amended by this Amendment,

2. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Amendment, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Amendment, except as expressly provided in this Amendment.

3. Governing Law. This Amendment shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile, PDF; electronic delivery or otherwise) to the other party, it being understood that all parties need not sign the same counterpart.

6. Severability. If one or more provisions of this Amendment are held to be unenforceable under applicable law, such provision shall be excluded from this Amendment and the balance of the

Amendment shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

7. Entire Agreement. This Amendment, together with the Note and the agreements executed pursuant hereto and thereto, constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Convertible Promissory Notes as of the date first above written.

COMPANY:

Pacific DataVision

By: _____

John Pescatore
Chief Executive Officer

HOLDER:

_____

Exhibit 5.1

DLA Piper LLP (US)
4365 Executive Drive
San Diego, California 92121-2133
T 858.677.1400
F 858.677.1401

August 7, 2014

Pacific DataVision, Inc.
100 Hamilton Plaza
Paterson, New Jersey 07505

Re: Registration Statement on Form S-1 (File No. 333-)
Relating to 10,925,000 Shares of Common Stock

Ladies and Gentlemen:

We have acted as counsel to Pacific DataVision, Inc., a Delaware corporation (the "***Company***"), in connection with the preparation and filing with the Securities and Exchange Commission of the Company's Registration Statement on Form S-1 (the "***Registration Statement***"), under the Securities Act of 1933, as amended (the "***Securities Act***"), relating to the registration of an aggregate of 10,925,000 shares of Common Stock, par value $0.0001 per share, of the Company (the "***Shares***") issued by the Company to the selling stockholders in a private placement in June 2014 in reliance on exemptions from registration under the Securities Act of 1933, as amended.

In so acting, we have examined originals or copies (certified or otherwise identified to our satisfaction) of (i) the Amended and Restated Certificate of Incorporation of the Company; (ii) the Registration Statement; (iii) the prospectus contained within the Registration Statement; and (iv) such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of the Company, and have made such inquiries of such officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such documents. As to all questions of fact material to this opinion that have not been independently established, we have relied upon certificates or comparable documents of officers and representatives of the Company.

Based on the foregoing, and subject to the qualifications stated herein, we are of the opinion that the Shares that are being offered by the selling stockholders have been duly authorized and are validly issued, fully paid and non-assessable.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to any and all references to our firm in the Registration Statement.

Very truly yours,
/s/ DLA Piper LLP (US)
DLA PIPER LLP (US)

PACIFIC DATAVISION
2004 STOCK PLAN

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

1.1 **Establishment.** The Pacific DataVision 2004 Stock Plan (the *"**Plan**"*) is hereby established effective as of August 4, 2004 (the *"**Effective Date**"*).

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Participating Company Group and its shareholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. After the Effective Date, the Company shall terminate, and no longer issue any awards from under, the Company's 2002 Stock Option Plan.

1.3 **Term of Plan.** The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued and all restrictions on such shares under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed. However, all Awards shall be granted, if at all, within ten (10) years from the earlier of the date the Plan is adopted by the Board or the date the Plan is duly approved by the shareholders of the Company.

2. **DEFINITIONS AND CONSTRUCTION.**

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "***Award***" means an Option or Stock Purchase Right granted under the Plan.

(b) *"**Board**"* means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, *"**Board**"* also means such Committee(s).

(c) *"**Code**"* means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(d) *"**Committee**"* means the compensation committee or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law.

(e) *"**Company**"* means Pacific DataVision, a California corporation, or any successor corporation thereto.

(f) *"**Consultant**"* means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on either the exemption from registration provided by Rule 701 under the Securities Act or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act.

(g) "***Director***" means a member of the Board or of the board of directors of any other Participating Company.

(h) "***Disability***" means the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Participating Company Group because of the sickness or injury of the Participant.

(i) "***Employee***" means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

(j) *"**Exchange Act**"* means the Securities Exchange Act of 1934, as amended.

(k) "***Fair Market Value***" means, as of any date, the value of a share of Stock or other property as determined by the Board, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) If, on such date, the Stock is listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock (or the mean of the closing bid and asked prices of a share of Stock if the Stock is so quoted instead) as quoted on the Nasdaq National Market, The Nasdaq SmallCap Market or such other national or regional securities exchange or market system constituting the primary market for the Stock, as reported in The Wall Street Journal or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or market system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its discretion.

(ii) If, on such date, the Stock is not listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be as determined by the Board in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse.

(l) *"**Incentive Stock Option***" means an Option intended to be (as set forth in the Option Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(m) "***Insider***" means an Officer, a Director of the Company or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(n) "***Nonstatutory Stock Option***" means an Option not intended to be (as set forth in the Option Agreement) or which does not qualify as an Incentive Stock Option.

(o) "***Officer***" means any person designated by the Board as an officer of the Company.

(p) "***Option***" means a right granted under Section 6 to purchase Stock pursuant to the terms and conditions of the Plan. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(q) "***Option Agreement***" means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Option granted to the Participant and any shares acquired upon the exercise thereof. An Option Agreement may consist of a form of "Notice of Grant of Stock Option" and a form of "Stock Option Agreement" incorporated therein by reference, or such other form or forms as the Board may approve from time to time.

(r) "***Parent Corporation***" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(s) "***Participant***" means any eligible person who has been granted one or more Awards.

(t) "***Participating Company***" means the Company or any Parent Corporation or Subsidiary Corporation.

(u) "***Participating Company Group***" means, at any point in time, all corporations collectively which are then Participating Companies.

(v) "***Prior Plan Options***" means any option or other award granted by the Company which is subject to vesting or repurchase by the Company, including specifically, all such options and awards granted pursuant to the Company's 2002 Stock Option Plan which is outstanding on or after the Effective Date.

(w) "***Rule 16b-3***" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(x) "***Securities Act***" means the Securities Act of 1933, as amended.

(y) "***Service***" means a Participant's employment or service with the Participating Company Group, whether in the capacity of an Employee, a Director or a Consultant. A Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service to the Participating Company Group or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company; provided, however, that if any such leave exceeds ninety (90) days, on the one hundred eighty-first (181st) day following the commencement of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonstatutory Stock Option unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, a leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Option Agreement or Stock Purchase Agreement. Except as otherwise provided by the Board, in its discretion, the Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the corporation for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of and reason for such termination.

(z) "***Stock***" means the common stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(aa) "***Stock Purchase Agreement***" means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Stock Purchase Right granted to the Participant and any shares acquired upon the exercise thereof. A Stock Purchase Agreement may consist of a form of "Notice of Grant of Stock Purchase Right" and a form of "Stock Purchase Agreement" incorporated therein by reference, or such other form or forms as the Board may approve from time to time.

(bb) "***Stock Purchase Right***" means a right granted under Section 7 to purchase Stock pursuant to the terms and conditions of the Plan.

(cc) "***Subsidiary Corporation***" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(dd) "***Ten Percent Shareholder***" means a person who, at the time an Award is granted to such person, owns stock possessing more than ten percent (10%) of the total combined voting power (as defined in Section 194.5 of the California Corporations Code) of all classes of stock of a Participating Company within the meaning of Section 422(b)(6) of the Code.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION**.

3.1 **Administration by the Board.** The Plan shall be administered by the Board. All questions of interpretation of the Plan or of any Award shall be determined by the Board, and such determinations shall be final and binding upon all persons having an interest in the Plan or such Award.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Powers of the Board.** In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Board shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock to be subject to each Award;

(b) to designate Options as Incentive Stock Options or Nonstatutory Stock Options;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired upon the exercise thereof, including, without limitation, (i) the exercise price of the Award, (ii) the method of payment for shares purchased upon the exercise of the Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with the Award or such shares, including by the withholding or delivery of shares of stock, (iv) the timing, terms and conditions of the exercisability of the Award or the vesting of any shares acquired upon the exercise thereof, (v) the time of the expiration of the Award, (vi) the effect of the Participant's termination of Service on any of the foregoing, and (vii) all other terms, conditions and restrictions applicable to the Award or such shares not inconsistent with the terms of the Plan;

(e) to approve one or more forms of Option Agreement and Stock Purchase Agreement;

(f) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired upon the exercise thereof;

(g) to accelerate, continue, extend or defer the exercisability of any Award or the vesting of any shares acquired upon the exercise thereof, including with respect to the period following a Participant's termination of Service;

(h) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt supplements to, or alternative versions of, the Plan, including, without limitation, as the Board deems necessary or desirable to comply with the laws of, or to accommodate the tax policy or custom of, foreign jurisdictions whose citizens may be granted Awards; and

(i) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Option Agreement or Stock Purchase Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Board may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.4 **Administration with Respect to Insiders.** With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.5 **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or officers or employees of the Participating Company Group, members of the Board and any officers or employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. SHARES SUBJECT TO PLAN.

4.1 **Maximum Number of Shares Issuable.** Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be Two Million Five Hundred Thousand (2,500,000) shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof. If any outstanding Award, including any Prior Plan Options, for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase, including any Prior Plan Options, are forfeited or repurchased by the Company, the shares of Stock allocable to the terminated portion of such

Award, including any Prior Plan Options, or such forfeited or repurchased shares of Stock shall again be available for grant under the Plan. However, except as adjusted pursuant to Section 4.2, in no event shall more than Two Million Five Hundred Thousand (2,500,000) shares of Stock be available for issuance pursuant to the exercise of Incentive Stock Options (the *"**ISO Share Limit**"*). Notwithstanding the foregoing, at any such time as the offer and sale of securities pursuant to the Plan is subject to compliance with Section 260.140.45 of Title 10 of the California Code of Regulations (*"**Section 260.140.45**"*), the total number of shares of Stock issuable upon the exercise of all outstanding Awards (together with options outstanding under any other stock plan of the Company) and the total number of shares provided for under any stock bonus or similar plan of the Company shall not exceed thirty percent (30%) (or such other higher percentage limitation as may be approved by the shareholders of the Company pursuant to Section 260.140.45) of the then outstanding shares of the Company as calculated in accordance with the conditions and exclusions of Section 260.140.45.

4.2 **Adjustments for Changes in Capital Structure.** Subject to any required action by the shareholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the shareholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and class of shares subject to the Plan and to any outstanding Options, in the ISO Share Limit set forth in Section 4.1, and in the exercise price per share of any outstanding Options in order to prevent dilution or enlargement of Optionees' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section 4.2 shall be rounded down to the nearest whole number, and in no event may the exercise price of any Option be decreased to an amount less than the par value, if any, of the stock subject to the Option. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

5. **ELIGIBILITY AND OPTION LIMITATIONS**.

5.1 **Persons Eligible for Awards.** Awards may be granted only to Employees, Consultants, and Directors. Eligible persons may be granted more than one (1) Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.2 **Option Grant Restrictions.** An Incentive Stock Option may be granted only to a person who is an Employee on the effective date of grant of the Option to such person. Any person who is not an Employee on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

5.3 **Fair Market Value Limitation.** To the extent that options designated as Incentive Stock Options (granted under all stock plans of the Participating Company Group,

including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portions of such options which exceed such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section 5.3, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 5.3, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 5.3, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option.

6. **TERMS AND CONDITIONS OF OPTIONS.**

Options shall be evidenced by Option Agreements specifying the number of shares of Stock covered thereby, in such form as the Board shall from time to time establish. No Option or purported Option shall be a valid and binding obligation of the Company unless evidenced by a fully executed Option Agreement. Option Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Board; provided, however, that (a) the exercise price per share for an Incentive Stock Option shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option, (b) the exercise price per share for a Nonstatutory Stock Option shall be not less than eighty-five percent (85%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option, and (c) no Option granted to a Ten Percent Shareholder shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the Option Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Shareholder shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option, and (c) with the exception of an Option granted to an Officer, a Director or a Consultant, no Option shall become exercisable at a rate less than twenty percent (20%) per year over a period of five (5) years from

the effective date of grant of such Option, subject to the Participant's continued Service. Subject to the foregoing, unless otherwise specified by the Board in the grant of an Option, any Option granted hereunder shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price**.

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) (a *"**Cashless Exercise**"*), (iv) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (v) by any combination thereof. The Board may at any time or from time to time, by approval of or by amendment to the standard forms of Option Agreement described in Section 8, or by other means, grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration***.

(i) **Tender of Stock.** Notwithstanding the foregoing, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. Unless otherwise provided by the Board, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for more than six (6) months (and were not used for another Option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise.** The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise.

6.4 **Effect of Termination of Service**.

(a) ***Option Exercisability*.** Subject to earlier termination of the Option as otherwise provided herein and unless otherwise provided by the Board in the grant of an Option and set forth in the Option Agreement, an Option shall be exercisable after a Participant's termination of Service only during the applicable time period determined in accordance with this Section 6.4 and thereafter shall terminate:

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months (or such longer period of time as determined by the Board, in its discretion) after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Option Agreement evidencing such Option (the *"**Option Expiration Date**"*).

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months (or such longer period of time as determined by the Board, in its discretion) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months (or such longer period of time as determined by the Board, in its discretion) after the Participant's termination of Service.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service with the Participating Company Group is terminated for Cause, as defined by the Participant's Option Agreement or contract of employment or service (or, if not defined in any of the foregoing, as defined below), the Option shall terminate and cease to be exercisable immediately upon such termination of Service. Unless otherwise defined by the Participant's Option Agreement or contract of employment or service, for purposes of this Section 6.4(a)(iii) *"**Cause**"* shall mean any of the following: (1) the Participant's theft, dishonesty, or falsification of any Participating Company documents or records; (2) the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information; (3) any action by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (4) the Participant's failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (5) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (6) the Participant's conviction (including any plea of guilty or nolo contendere) of any criminal act which impairs the Participant's ability to perform his or her duties with a Participating Company.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months (or such longer period of time as determined by the Board, in its discretion) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented by Law*.** Notwithstanding the foregoing other than termination for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 11 below, the Option shall remain exercisable until three (3) months (or such longer period of time as determined by the Board, in its discretion) after the date the Participant is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

(c) ***Extension if Participant Subject to Section 16(b*).** Notwithstanding the foregoing other than termination for Cause, if a sale within the applicable time periods set forth in Section 6.4(a) of shares acquired upon the exercise of the Option would subject the Participant to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such shares by the Participant would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Participant's termination of Service, or (iii) the Option Expiration Date.

6.5 **Transferability of Options.** During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. No Option shall be assignable or transferable by the Participant, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Board, in its discretion, and set forth in the Option Agreement evidencing such Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, described in Section 260.140.41 of Title 10 of the California Code of Regulations, Rule 701 under the Securities Act, and the General Instructions to Form S-8 Registration Statement under the Securities Act.

7. TERMS AND CONDITIONS OF STOCK PURCHASE RIGHTS.

Stock Purchase Rights shall be evidenced by Stock Purchase Agreements, specifying the number of shares of Stock covered thereby, in such form as the Board shall from time to time establish. No Stock Purchase Right or purported Stock Purchase Right shall be a valid and binding obligation of the Company unless evidenced by a fully executed Stock Purchase Agreement. Stock Purchase Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Purchase Price.** The purchase price under each Stock Purchase Right shall be established by the Board; provided, however, that (a) the purchase price per share shall be at least eighty-five percent (85%) of the Fair Market Value of a share of Stock either on the effective date of grant of the Stock Purchase Right or on the date on which the purchase is consummated and (b) the purchase price per share under a Stock Purchase Right granted to a Ten Percent Shareholder shall be at least one hundred percent (100%) of the Fair Market Value of a share of Stock either on the effective date of grant of the Stock Purchase Right or on the date on which the purchase is consummated.

7.2 **Purchase Period.** A Stock Purchase Right shall be exercisable within a period established by the Board, which shall in no event exceed thirty (30) days from the effective date of the grant of the Stock Purchase Right.

7.3 **Payment of Purchase Price.** Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Stock Purchase Right shall be made (a) in cash, by check, or cash equivalent, (b) in the form of the Participant's past service rendered to a Participating Company or for its benefit having a value not less than the aggregate purchase price of the shares being acquired, (c) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (d) by any combination thereof. The Board may at any time or from time to time, by adoption of or by amendment to the standard form of Stock Purchase Agreement described in Section 8, or by other means, grant Stock Purchase Rights which do not permit all of the foregoing forms of consideration to be used in payment of the purchase price or which otherwise restrict one or more forms of consideration.

7.4 **Vesting and Restrictions on Transfer.** Shares issued pursuant to any Stock Purchase Right may or may not be made subject to vesting conditioned upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria (the *"**Vesting Conditions**"*) as shall be established by the Board and set forth in the Stock Purchase Agreement evidencing such Award. During any period (the *"**Restriction Period**"*) in which shares acquired pursuant to a Stock Purchase Right remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event, as defined in Section 9.1, or as provided in Section 7.5. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

7.5 **Effect of Termination of Service.** Unless otherwise provided by the Board in the grant of a Stock Purchase Right and set forth in the Stock Purchase Agreement, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service; provided, however, that with the exception of shares acquired pursuant to a Stock Purchase Right by an Officer, a Director or a Consultant, the Company's repurchase option must lapse at the rate of at least twenty percent (20%) of the shares per year over the period of five (5) years from the effective date of grant of the Stock Purchase Right (without regard to the date on which the Stock Purchase Right was exercised) and the repurchase option must be exercised, if at all, for cash or cancellation of purchase money indebtedness for the shares within ninety (90) days following the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

7.6 **Nontransferability of Stock Purchase Rights.** Rights to acquire shares of Stock pursuant to a Stock Purchase Right may not be assigned or transferred in any manner except by will or the laws of descent and distribution, and, during the lifetime of the Participant, shall be exercisable only by the Participant.

8. **STANDARD FORMS OF AGREEMENTS.**

8.1 **Option Agreement.** Unless otherwise provided by the Board at the time the Option is granted, an Option shall comply with and be subject to the terms and conditions set forth in the form of Option Agreement approved by the Board concurrently with its adoption of the Plan and as amended from time to time.

8.2 **Stock Purchase Agreement.** Unless otherwise provided by the Board at the time the Stock Purchase Right is granted, a Stock Purchase Right shall be subject to the terms and conditions set forth in the form of Stock Purchase Agreement approved by the Board concurrently with its adoption of the Plan and as amended from time to time.

8.3 **Authority to Vary Terms.** The Board shall have the authority from time to time to vary the terms of any standard form of agreement described in this Section 8 either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of agreement are not inconsistent with the terms of the Plan.

9. **CHANGE IN CONTROL.**

9.1 **Definitions**.

(a) An "***Ownership Change Event***" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the shareholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.

(b) A "***Change in Control***" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a *"**Transaction**"*) wherein the shareholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the Company or, in the case of a Transaction described in Section 9.1(a)(iii), the corporation or other business entity to which the assets of the Company were transferred (the *"**Transferee**"*), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Board shall have the right to

determine whether multiple sales or exchanges of the voting securities of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

9.2 **Effect of Change in Control on Options.**

(a) ***Accelerated Vesting***. Notwithstanding any other provision of the Plan to the contrary, the Board, in its sole discretion, may provide in any Award Agreement or, in the event of a Change in Control, may take such actions as it deems appropriate to provide for the acceleration of the exercisability and vesting in connection with such Change in Control of any or all outstanding Options and shares acquired upon the exercise of such Options.

(b) ***Assumption of Options.*** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of any Participant, either assume the Company's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options for the Acquiror's stock. Any Options which are neither assumed by the Acquiror in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of an Option prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the Award Agreement evidencing such Option except as otherwise provided in such Award Agreement. Furthermore, notwithstanding the foregoing, if the corporation the stock of which is subject to the outstanding Options immediately prior to an Ownership Change Event described in Section 9.1(a)(i) constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code without regard to the provisions of Section 1504(b) of the Code, the outstanding Options shall not terminate unless the Board otherwise provides in its discretion.

(c) ***Cash-Out of Options.*** The Board may, in its sole discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Option outstanding immediately prior to the Change in Control shall be canceled in exchange for a payment with respect to each vested share of Stock subject to such canceled Option in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control over the exercise price per share under such Option (the **"*Spread*"**). In the event such determination is made by the Board, the Spread (reduced by applicable withholding taxes, if any) shall be paid to Participants in respect of their canceled Options as soon as practicable following the date of the Change in Control.

9.3 **Effect of Change in Control on Stock Purchase Right.** In the event of a Change in Control, the Acquiror, may, without the consent of any Participant, either assume the Company's rights and obligations under outstanding Stock Purchase Rights or substitute for

outstanding Stock Purchase Rights substantially equivalent purchase rights for the Acquiror's stock. Any Stock Purchase Rights which are neither assumed or substituted for by the Acquiror in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of a Stock Purchase Right prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the Stock Purchase Agreement evidencing such Stock Purchase Right except as otherwise provided in such Stock Purchase Agreement. Furthermore, notwithstanding the foregoing, if the corporation the stock of which is subject to the outstanding Stock Purchase Rights immediately prior to an Ownership Change Event described in Section 9.1(a)(i) constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code without regard to the provisions of Section 1504(b) of the Code, the outstanding Stock Purchase Rights shall not terminate unless the Board otherwise provides in its discretion.

9.4 **Federal Excise Tax Under Section 4999 of the Code.**

(a) ***Excess Parachute Payment.*** In the event that any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, the Participant may elect, in his or her sole discretion, to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Independent Accountants.*** To aid the Participant in making any election called for under Section 9.4(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 9.4(a), the Company shall request a determination in writing by independent public accountants selected by the Company (the *"**Accountants**"*). As soon as practicable thereafter, the Accountants shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 9.4(b).

10. **TAX WITHHOLDING.**

10.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through

payroll withholding, cash payment or otherwise, including by means of a Cashless Exercise of an Option, to make adequate provision for, the federal, state, local and foreign taxes, if any, required by law to be withheld by the Participating Company Group with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock or to release shares of Stock from an escrow established pursuant to an Option Agreement or Stock Purchase Agreement until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

10.2 **Withholding in Shares.** The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Participating Company Group. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

11. COMPLIANCE WITH SECURITIES LAW.

The grant of Awards and the issuance of shares of Stock upon exercise of Awards shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities. Awards may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised unless (a) a registration statement under the Securities Act shall at the time of exercise of the Award be in effect with respect to the shares issuable upon exercise of the Award or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of any Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

12. TERMINATION OR AMENDMENT OF PLAN.

The Board may terminate or amend the Plan at any time. However, subject to changes in applicable law, regulations or rules that would permit otherwise, without the approval of the Company's shareholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.2), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's shareholders under any applicable law, regulation or rule. No termination or amendment of the Plan shall affect any then outstanding Award unless expressly provided by the Board. In any

event, no termination or amendment of the Plan may adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option or is necessary to comply with any applicable law, regulation or rule.

13. **MISCELLANEOUS PROVISIONS**.

13.1 **Repurchase Rights.** Shares issued under the Plan may be subject to a right of first refusal, one or more repurchase options, or other conditions and restrictions as determined by the Board in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

13.2 **Provision of Information.** At least annually, copies of the Company's balance sheet and income statement for the just completed fiscal year shall be made available to each Participant and purchaser of shares of Stock upon the exercise of an Award. The Company shall not be required to provide such information to key employees whose duties in connection with the Company assure them access to equivalent information. Furthermore, the Company shall deliver to each Participant such disclosures as are required in accordance with Rule 701 under the Securities Act.

13.3 **Shareholder Approval.** The Plan or any increase in the maximum aggregate number of shares of Stock issuable thereunder as provided in Section 4.1 (the "***Authorized Shares"***) shall be approved by a majority of the outstanding securities of the Company entitled to vote within twelve (12) months before or after the date of adoption thereof by the Board. Awards granted prior to security holder approval of the Plan or in excess of the Authorized Shares previously approved by the security holders shall become exercisable no earlier than the date of security holder approval of the Plan or such increase in the Authorized Shares, as the case may be.

PLAN HISTORY

August 4, 2004	Board adopts Plan, with an initial reserve of 2,500,000 shares.
August 4, 2004	Shareholders of the Company approve Plan.

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

PACIFIC DATAVISION
STOCK OPTION AGREEMENT
(Immediately Exercisable)

Pacific DataVision has granted to the individual (the *"**Optionee**"*) named in the *Notice of Grant of Stock Option* (the *"**Notice**"*) to which this Stock Option Agreement (the *"**Option Agreement**"*) is attached an option (the *"**Option**"*) to purchase certain shares of Stock upon the terms and conditions set forth in the Notice and this Option Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Pacific DataVision 2004 Stock Plan (the *"**Plan**"*), as amended to the Date of Option Grant, the provisions of which are incorporated herein by reference. By signing the Notice, the Optionee: (a) represents that the Optionee has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan and this Option Agreement, (b) accepts the Option subject to all of the terms and conditions of the Notice, the Plan and this Option Agreement, and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Notice, the Plan or this Option Agreement.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Notice or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Option Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **TAX CONSEQUENCES.**

2.1 **Tax Status of Option.** This Option is intended to have the tax status designated in the Notice.

(a) ***Incentive Stock Option.*** If the Notice so designates, this Option is intended to be an Incentive Stock Option within the meaning of Section 422(b) of the Code, but the Company does not represent or warrant that this Option qualifies as such. The Optionee should consult with the Optionee's own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. (NOTE TO OPTIONEE: If the Option is exercised more than three (3) months after the date on which you cease to be an Employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), the Option will be treated as a Nonstatutory Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)

(b) ***Nonstatutory Stock Option.*** If the Notice so designates, this Option is intended to be a Nonstatutory Stock Option and shall not be treated as an Incentive Stock Option within the meaning of Section 422(b) of the Code.

2.2 **ISO Fair Market Value Limitation.** *If the Notice designates this Option as an Incentive Stock Option,* then to the extent that the Option (together with all Incentive Stock Options granted to the Optionee under all stock option plans of the Participating Company Group, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount will be treated as Nonstatutory Stock Options. For purposes of this Section 2.2, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of stock is determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 2.2, such different limitation shall be deemed incorporated herein effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 2.2, the Optionee may designate which portion of such Option the Optionee is exercising. In the absence of such designation, the Optionee shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option. (NOTE TO OPTIONEE: If the aggregate Exercise Price of the Option (that is, the Exercise Price multiplied by the Number of Option Shares) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other stock option plan of the Participating Company Group) is greater than $100,000, you should contact the Chief Financial Officer of the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option.)

2.3 **Election Under Section 83(b) of the Code.** If the Optionee exercises this Option to purchase shares of Stock that are both nontransferable and subject to a substantial risk

of forfeiture, the Optionee understands that the Optionee should consult with the Optionee's tax advisor regarding the advisability of filing with the Internal Revenue Service an election under Section 83(b) of the Code, which must be filed no later than thirty (30) days after the date on which the Optionee exercises the Option. Shares acquired upon exercise of the Option are nontransferable and subject to a substantial risk of forfeiture if, for example, (a) they are unvested and are subject to a right of the Company to repurchase such shares at the Optionee's original purchase price if the Optionee's Service terminates, (b) the Optionee is an Insider and, under certain circumstances, exercises the Option within six (6) months of the Date of Option Grant (if a class of equity security of the Company is registered under Section 12 of the Exchange Act), or (c) the Optionee is subject to a restriction on transfer to comply with "Pooling-of-Interests Accounting" rules. Failure to file an election under Section 83(b), if appropriate, may result in adverse tax consequences to the Optionee. The Optionee acknowledges that the Optionee has been advised to consult with a tax advisor prior to the exercise of the Option regarding the tax consequences to the Optionee of the exercise of the Option. AN ELECTION UNDER SECTION 83(b) MUST BE FILED WITHIN 30 DAYS AFTER THE DATE ON WHICH THE OPTIONEE PURCHASES SHARES. THIS TIME PERIOD CANNOT BE EXTENDED. THE OPTIONEE ACKNOWLEDGES THAT TIMELY FILING OF A SECTION 83(b) ELECTION IS THE OPTIONEE'S SOLE RESPONSIBILITY, EVEN IF THE OPTIONEE REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO FILE SUCH ELECTION ON HIS OR HER BEHALF.

3. **ADMINISTRATION**.

All questions of interpretation concerning this Option Agreement shall be determined by the Board. All determinations by the Board shall be final and binding upon all persons having an interest in the Option. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

4. **EXERCISE OF THE OPTION**.

4.1 **Right to Exercise.**

(a) ***In General.*** Except as otherwise provided herein, the Option shall be exercisable on and after the Initial Exercise Date and prior to the termination of the Option (as provided in Section 6) in an amount not to exceed the Number of Option Shares less the number of shares previously acquired upon exercise of the Option, subject to the Company's repurchase rights set forth in Section 11 and Section 12.

(b) ***ISO Exercise Limitation.*** *If this Option is designated as an Incentive Stock Option in the Notice,* then notwithstanding the provisions of Section 4.1(a) and except as provided in Section 4.1(c), the aggregate Fair Market Value of the shares of Stock with respect to which the Optionee may exercise the Option for the first time during any calendar year, when added to the aggregate Fair Market Value of the shares subject to any other options designated as Incentive Stock Options granted to the Optionee under all stock option plans of the

Participating Company Group prior to the Date of Option Grant with respect to which such options are exercisable for the first time during the same calendar year, shall not exceed One Hundred Thousand Dollars ($100,000). For purposes of the preceding sentence, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of shares of stock shall be determined as of the time the option with respect to such shares is granted. Such limitation on exercise shall be referred to in this Option Agreement as the *"**ISO Exercise Limitation**."* If Section 422 of the Code is amended to provide for a different limitation from that set forth in this Section 4.1(b), the ISO Exercise Limitation shall be deemed amended effective as of the date required or permitted by such amendment to the Code. The ISO Exercise Limitation shall terminate upon the earlier of (i) the Optionee's termination of Service, (ii) the day immediately prior to the effective date of a Change in Control in which the Option is not assumed or substituted for by the Acquiring Corporation as provided in Section 8, or (iii) the day ten (10) days prior to the Option Expiration Date. Upon such termination of the ISO Exercise Limitation, the Option shall be deemed a Nonstatutory Stock Option to the extent of the number of shares subject to the Option which would otherwise exceed the ISO Exercise Limitation.

(c) ***Exception to ISO Exercise Limitation.*** Notwithstanding any other provision of this Option Agreement, if compliance with the ISO Exercise Limitation as set forth in Section 4.1(b) will result in the exercisability of any Vested Shares being delayed more than thirty (30) days beyond the date such shares become Vested Shares (the *"**Vesting Date**"*), the Option shall be deemed to be two (2) options. The first option shall be for the maximum portion of the Number of Option Shares that can comply with the ISO Exercise Limitation without causing the Option to be unexercisable in the aggregate as to Vested Shares on the Vesting Date for such shares. The second option, which shall not be treated as an Incentive Stock Option as described in section 422(b) of the Code, shall be for the balance of the Number of Option Shares; that is, those such shares which, on the respective Vesting Date for such shares, would be unexercisable if included in the first option and thereby made subject to the ISO Exercise Limitation. Shares treated as subject to the second option shall be exercisable on the same terms and at the same time as set forth in this Option Agreement; provided, however, that (i) Section 4.1(b) shall not apply to the second option and (ii) each such share shall become a Vested Share on the Vesting Date such share must first be allocated to the second option pursuant to the preceding sentence. Unless the Optionee specifically elects to the contrary in the Optionee's written notice of exercise, the first option shall be deemed to be exercised first to the maximum possible extent and then the second option shall be deemed to be exercised.

4.2 **Method of Exercise.** Exercise of the Option shall be by written notice to the Company which must state the election to exercise the Option, the number of whole shares of Stock for which the Option is being exercised and such other representations and agreements as to the Optionee's investment intent with respect to such shares as may be required pursuant to the provisions of this Option Agreement. The written notice must be signed by the Optionee and must be delivered in person, by certified or registered mail, return receipt requested, by confirmed facsimile transmission, or by such other means as the Company may permit, to the Chief Financial Officer of the Company, or other authorized representative of the Participating Company Group, prior to the termination of the Option as set forth in Section 6, accompanied by (i) full payment of the aggregate Exercise Price for the number of shares of Stock being

purchased and (ii) an executed copy, if required herein, of the then current form of escrow agreement referenced below. The Option shall be deemed to be exercised upon receipt by the Company of such written notice, the aggregate Exercise Price, and, if required by the Company, such executed agreement.

4.3 **Payment of Exercise Price.**

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the aggregate Exercise Price for the number of shares of Stock for which the Option is being exercised shall be made (i) in cash, by check, or cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of whole shares of Stock owned by the Optionee having a Fair Market Value not less than the aggregate Exercise Price, (iii) by means of a Cashless Exercise, as defined in Section 4.3(b), or (iv) by any combination of the foregoing.

(b) ***Limitations on Forms of Consideration.***

(i) **Tender of Stock.** Notwithstanding the foregoing, the Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. The Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Optionee for more than six (6) months (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise.** A *"**Cashless Exercise**"* means the delivery of a properly executed notice together with irrevocable instructions to a broker in a form acceptable to the Company providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares of Stock acquired upon the exercise of the Option pursuant to a program or procedure approved by the Company (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to decline to approve or terminate any such program or procedure.

4.4 **Tax Withholding.** At the time the Option is exercised, in whole or in part, or at any time thereafter as requested by the Company, the Optionee hereby authorizes withholding from payroll and any other amounts payable to the Optionee, and otherwise agrees to make adequate provision for (including by means of a Cashless Exercise to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Participating Company Group, if any, which arise in connection with the Option, including, without limitation, obligations arising upon (i) the exercise, in whole or in part, of the Option, (ii) the transfer, in whole or in part, of any shares acquired upon exercise of the Option, (iii) the operation of any law or regulation providing for the imputation of interest, or (iv) the lapsing of any restriction with respect to any shares acquired upon exercise of

the Option. The Option is not exercisable unless the tax withholding obligations of the Participating Company Group are satisfied. Accordingly, the Company shall have no obligation to deliver shares of Stock or to release shares of Stock from an escrow established pursuant to this Option Agreement until the tax withholding obligations of the Participating Company Group have been satisfied by the Optionee.

4.5 **Certificate Registration.** Except in the event the Exercise Price is paid by means of a Cashless Exercise, the certificate for the shares as to which the Option is exercised shall be registered in the name of the Optionee, or, if applicable, in the names of the heirs of the Optionee.

4.6 **Restrictions on Grant of the Option and Issuance of Shares.** The grant of the Option and the issuance of shares of Stock upon exercise of the Option shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise of the Option be in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. THE OPTIONEE IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4.7 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the exercise of the Option.

5. **NONTRANSFERABILITY OF THE OPTION**.

The Option may be exercised during the lifetime of the Optionee only by the Optionee or the Optionee's guardian or legal representative and may not be assigned or transferred in any manner except by will or by the laws of descent and distribution. Following the death of the Optionee, the Option, to the extent provided in Section 7, may be exercised by the Optionee's legal representative or by any person empowered to do so under the deceased Optionee's will or under the then applicable laws of descent and distribution.

6. **TERMINATION OF THE OPTION**.

The Option shall terminate and may no longer be exercised after the first to occur of (a) the Option Expiration Date, (b) the last date for exercising the Option following termination of the Optionee's Service as described in Section 7, or (c) a Change in Control to the extent provided in Section 8.

7. **EFFECT OF TERMINATION OF SERVICE**.

7.1 **Option Exercisability.**

(a) ***Disability.*** If the Optionee's Service terminates because of the Disability of the Optionee, the Option, to the extent unexercised and exercisable on the date on which the Optionee's Service terminated, may be exercised by the Optionee (or the Optionee's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Optionee's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Death.*** If the Optionee's Service terminates because of the death of the Optionee, the Option, to the extent unexercised and exercisable on the date on which the Optionee's Service terminated, may be exercised by the Optionee's legal representative or other person who acquired the right to exercise the Option by reason of the Optionee's death at any time prior to the expiration of twelve (12) months after the date on which the Optionee's Service terminated, but in any event no later than the Option Expiration Date. The Optionee's Service shall be deemed to have terminated on account of death if the Optionee dies within three (3) months after the Optionee's termination of Service.

(c) ***Other Termination of Service.*** If the Optionee's Service terminates for any reason, except Disability or death, the Option, to the extent unexercised and exercisable by the Optionee on the date on which the Optionee's Service terminated, may be exercised by the Optionee at any time prior to the expiration of three (3) months (or such other longer period of time as determined by the Board, in its discretion) after the date on which the Optionee's Service terminated, but in any event no later than the Option Expiration Date.

7.2 **Additional Limitations on Option Exercise.** Notwithstanding the provisions of Section 7.1, the Option may not be exercised after the Optionee's termination of Service to the extent that the shares to be acquired upon exercise of the Option would be subject to the Unvested Share Repurchase Option as provided in Section 11.

7.3 **Extension if Exercise Prevented by Law.** Notwithstanding the foregoing, if the exercise of the Option within the applicable time periods set forth in Section 7.1 is prevented by the provisions of Section 4.6, the Option shall remain exercisable until three (3) months after the date the Optionee is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

7.4 **Extension if Optionee Subject to Section 16(b).** Notwithstanding the foregoing, if a sale within the applicable time periods set forth in Section 7.1 of shares acquired upon the exercise of the Option would subject the Optionee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such shares by the Optionee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Optionee's termination of Service, or (iii) the Option Expiration Date.

8. **CHANGE IN CONTROL.**

8.1 **Definitions.**

(a) An "***Ownership Change Event***" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the shareholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.

(b) A "***Change in Control***" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a "***Transaction***") wherein the shareholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the Company or, in the case of a Transaction described in Section 8.1(a)(iii), the corporation or other business entity to which the assets of the Company were transferred (the "***Transferee***"), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Board shall have the right to determine whether multiple sales or exchanges of the voting securities of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

8.2 **Effect of Change in Control on Option.** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiring Corporation***"), may, without the consent of the Optionee, either assume the Company's rights and obligations under the Option or substitute for the Option a substantially equivalent option for the Acquiring Corporation's stock. The Option shall terminate and cease to be outstanding effective as of the date of the Change in Control to the extent that the Option is neither assumed or substituted for by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of the Option prior to the Change in Control and any consideration received pursuant to the Change in Control with

respect to such shares shall continue to be subject to all applicable provisions of this Option Agreement except as otherwise provided herein. Furthermore, notwithstanding the foregoing, if the corporation the stock of which is subject to the Option immediately prior to an Ownership Change Event described in Section 8.1(a)(i) constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code without regard to the provisions of Section 1504(b) of the Code, the Option shall not terminate unless the Board otherwise provides in its discretion.

9. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company, appropriate adjustments shall be made in the number, Exercise Price and class of shares of stock subject to the Option. If a majority of the shares which are of the same class as the shares that are subject to the Option are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the *"New Shares"*), the Board may unilaterally amend the Option to provide that the Option is exercisable for New Shares. In the event of any such amendment, the Number of Option Shares and the Exercise Price shall be adjusted in a fair and equitable manner, as determined by the Board, in its discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 9 shall be rounded down to the nearest whole number, and in no event may the Exercise Price be decreased to an amount less than the par value, if any, of the stock subject to the Option. The adjustments determined by the Board pursuant to this Section 9 shall be final, binding and conclusive.

10. **RIGHTS AS A SHAREHOLDER, EMPLOYEE OR CONSULTANT.**

The Optionee shall have no rights as a shareholder with respect to any shares covered by the Option until the date of the issuance of a certificate for the shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 9. If the Optionee is an Employee, the Optionee understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Optionee, the Optionee's employment is "at will" and is for no specified term. Nothing in this Option Agreement shall confer upon the Optionee any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Optionee's Service as an Employee or Consultant, as the case may be, at any time.

11. **UNVESTED SHARE REPURCHASE OPTION.**

11.1 **Grant of Unvested Share Repurchase Option.** In the event the Optionee's Service with the Participating Company Group is terminated for any reason or no

reason, with or without cause, or, if the Optionee, the Optionee's legal representative, or other holder of shares acquired upon exercise of the Option attempts to sell, exchange, transfer, pledge, or otherwise dispose of (other than pursuant to an Ownership Change Event) any Unvested Shares, as defined in Section 11.2 below (the *"**Unvested Shares**"*), the Company shall have the right to repurchase the Unvested Shares under the terms and subject to the conditions set forth in this Section 11 (the *"**Unvested Share Repurchase Option**"*).

11.2 **Unvested Shares Defined.** The *"**Unvested Shares**"* shall mean, on any given date, the number of shares of Stock acquired upon exercise of the Option which exceed the Vested Shares determined as of such date.

11.3 **Exercise of Unvested Share Repurchase Option.** The Company may exercise the Unvested Share Repurchase Option by written notice to the Optionee within sixty (60) days after (a) termination of the Optionee's Service (or exercise of the Option, if later) or (b) the Company has received notice of the attempted disposition of Unvested Shares. If the Company fails to give notice within such sixty (60) day period, the Unvested Share Repurchase Option shall terminate unless the Company and the Optionee have extended the time for the exercise of the Unvested Share Repurchase Option. The Unvested Share Repurchase Option must be exercised, if at all, for all of the Unvested Shares, except as the Company and the Optionee otherwise agree.

11.4 **Payment for Shares and Return of Shares to Company.** The purchase price per share being repurchased by the Company shall be an amount equal to the Optionee's original cost per share, as adjusted pursuant to Section 9 (the *"**Repurchase Price**"*). The Company shall pay the aggregate Repurchase Price to the Optionee in cash within thirty (30) days after the date of the written notice to the Optionee of the Company's exercise of the Unvested Share Repurchase Option. For purposes of the foregoing, cancellation of any purchase money indebtedness of the Optionee to any Participating Company for the shares shall be treated as payment to the Optionee in cash to the extent of the unpaid principal and any accrued interest canceled. The shares being repurchased shall be delivered to the Company by the Optionee at the same time as the delivery of the Repurchase Price to the Optionee.

11.5 **Assignment of Unvested Share Repurchase Option.** The Company shall have the right to assign the Unvested Share Repurchase Option at any time, whether or not such option is then exercisable, to one or more persons as may be selected by the Company.

11.6 **Ownership Change Event.** Upon the occurrence of an Ownership Change Event, any and all new, substituted or additional securities or other property to which the Optionee is entitled by reason of the Optionee's ownership of Unvested Shares shall be immediately subject to the Unvested Share Repurchase Option and included in the terms "Stock" and "Unvested Shares" for all purposes of the Unvested Share Repurchase Option with the same force and effect as the Unvested Shares immediately prior to the Ownership Change Event. While the aggregate Repurchase Price shall remain the same after such Ownership Change Event, the Repurchase Price per Unvested Share upon exercise of the Unvested Share Repurchase Option following such Ownership Change Event shall be adjusted as appropriate. For purposes of determining the Vested Shares following an Ownership Change Event, credited

Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after the Ownership Change Event.

12. **RIGHT OF FIRST REFUSAL.**

12.1 **Grant of Right of First Refusal.** Except as provided in Section 12.7 below, in the event the Optionee, the Optionee's legal representative, or other holder of shares acquired upon exercise of the Option proposes to sell, exchange, transfer, pledge, or otherwise dispose of any Vested Shares (the *"**Transfer Shares**"*) to any person or entity, including, without limitation, any shareholder of a Participating Company, the Company shall have the right to repurchase the Transfer Shares under the terms and subject to the conditions set forth in this Section 12 (the *"**Right of First Refusal**"*).

12.2 **Notice of Proposed Transfer.** Prior to any proposed transfer of the Transfer Shares, the Optionee shall deliver written notice (the *"**Transfer Notice**"*) to the Company describing fully the proposed transfer, including the number of Transfer Shares, the name and address of the proposed transferee (the *"**Proposed Transferee**"*) and, if the transfer is voluntary, the proposed transfer price, and containing such information necessary to show the bona fide nature of the proposed transfer. In the event of a bona fide gift or involuntary transfer, the proposed transfer price shall be deemed to be the Fair Market Value of the Transfer Shares, as determined by the Board in good faith. If the Optionee proposes to transfer any Transfer Shares to more than one Proposed Transferee, the Optionee shall provide a separate Transfer Notice for the proposed transfer to each Proposed Transferee. The Transfer Notice shall be signed by both the Optionee and the Proposed Transferee and must constitute a binding commitment of the Optionee and the Proposed Transferee for the transfer of the Transfer Shares to the Proposed Transferee subject only to the Right of First Refusal.

12.3 **Bona Fide Transfer.** If the Company determines that the information provided by the Optionee in the Transfer Notice is insufficient to establish the bona fide nature of a proposed voluntary transfer, the Company shall give the Optionee written notice of the Optionee's failure to comply with the procedure described in this Section 12, and the Optionee shall have no right to transfer the Transfer Shares without first complying with the procedure described in this Section 12. The Optionee shall not be permitted to transfer the Transfer Shares if the proposed transfer is not bona fide.

12.4 **Exercise of Right of First Refusal.** If the Company determines the proposed transfer to be bona fide, the Company shall have the right to purchase all, but not less than all, of the Transfer Shares (except as the Company and the Optionee otherwise agree) at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Optionee of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's right to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Optionee or issued by a person other than the Optionee with respect to a proposed transfer to

the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Optionee shall thereupon consummate the sale of the Transfer Shares to the Company on the terms set forth in the Transfer Notice within sixty (60) days after the date the Transfer Notice is delivered to the Company (unless a longer period is offered by the Proposed Transferee); provided, however, that in the event the Transfer Notice provides for the payment for the Transfer Shares other than in cash, the Company shall have the option of paying for the Transfer Shares by the present value cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Company. For purposes of the foregoing, cancellation of any indebtedness of the Optionee to any Participating Company shall be treated as payment to the Optionee in cash to the extent of the unpaid principal and any accrued interest canceled.

12.5 **Failure to Exercise Right of First Refusal.** If the Company fails to exercise the Right of First Refusal in full (or to such lesser extent as the Company and the Optionee otherwise agree) within the period specified in Section 12.4 above, the Optionee may conclude a transfer to the Proposed Transferee of the Transfer Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than ninety (90) days following delivery to the Company of the Transfer Notice. The Company shall have the right to demand further assurances from the Optionee and the Proposed Transferee (in a form satisfactory to the Company) that the transfer of the Transfer Shares was actually carried out on the terms and conditions described in the Transfer Notice. No Transfer Shares shall be transferred on the books of the Company until the Company has received such assurances, if so demanded, and has approved the proposed transfer as bona fide. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance by the Optionee with the procedure described in this Section 12.

12.6 **Transferees of Transfer Shares.** All transferees of the Transfer Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Transfer Shares or interest therein subject to all of the terms and conditions of this Option Agreement, including this Section 12 providing for the Right of First Refusal with respect to any subsequent transfer. Any sale or transfer of any shares acquired upon exercise of the Option shall be void unless the provisions of this Section 12 are met.

12.7 **Transfers Not Subject to Right of First Refusal.** The Right of First Refusal shall not apply to any transfer or exchange of the shares acquired upon exercise of the Option if such transfer or exchange is in connection with an Ownership Change Event. If the consideration received pursuant to such transfer or exchange consists of stock of a Participating Company, such consideration shall remain subject to the Right of First Refusal unless the provisions of Section 12.9 below result in a termination of the Right of First Refusal.

12.8 **Assignment of Right of First Refusal.** The Company shall have the right to assign the Right of First Refusal at any time, whether or not there has been an attempted transfer, to one or more persons as may be selected by the Company.

12.9 **Early Termination of Right of First Refusal.** The other provisions of this Option Agreement notwithstanding, the Right of First Refusal shall terminate and be of no further force and effect upon (a) the occurrence of a Change in Control, unless the Acquiring Corporation assumes the Company's rights and obligations under the Option or substitutes a substantially equivalent option for the Acquiring Corporation's stock for the Option, or (b) the existence of a public market for the class of shares subject to the Right of First Refusal. A ***"public market"*** shall be deemed to exist if (i) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (ii) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

13. **ESCROW.**

13.1 **Establishment of Escrow.** To ensure that shares subject to the Unvested Share Repurchase Option will be available for repurchase, the Company may require the Optionee to deposit the certificate evidencing the shares which the Optionee purchases upon exercise of the Option with an agent designated by the Company under the terms and conditions of an escrow agreement approved by the Company. If the Company does not require such deposit as a condition of exercise of the Option, the Company reserves the right at any time to require the Optionee to so deposit the certificate in escrow. Upon the occurrence of an Ownership Change Event or a change, as described in Section 9, in the character or amount of any of the outstanding stock of the corporation the stock of which is subject to the provisions of this Option Agreement, any and all new, substituted or additional securities or other property to which the Optionee is entitled by reason of the Optionee's ownership of shares of Stock acquired upon exercise of the Option that remain, following such Ownership Change Event or change described in Section 9, subject to the Unvested Share Repurchase Option shall be immediately subject to the escrow to the same extent as such shares of Stock immediately before such event. The Company shall bear the expenses of the escrow.

13.2 **Delivery of Shares to Optionee.** As soon as practicable after the expiration of the Unvested Share Repurchase Option, but not more frequently than twice each calendar year, the escrow agent shall deliver to the Optionee the shares and any other property no longer subject to such restriction.

13.3 **Notices and Payments.** In the event the shares and any other property held in escrow are subject to the Company's exercise of the Unvested Share Repurchase Option or the Right of First Refusal, the notices required to be given to the Optionee shall be given to the escrow agent, and any payment required to be given to the Optionee shall be given to the escrow agent. Within thirty (30) days after payment by the Company, the escrow agent shall deliver the shares and any other property which the Company has purchased to the Company and shall deliver the payment received from the Company to the Optionee.

14. **STOCK DISTRIBUTIONS SUBJECT TO OPTION AGREEMENT.**

If, from time to time, there is any stock dividend, stock split or other change, as described in Section 9, in the character or amount of any of the outstanding stock of the

corporation the stock of which is subject to the provisions of this Option Agreement, then in such event any and all new, substituted or additional securities to which the Optionee is entitled by reason of the Optionee's ownership of the shares acquired upon exercise of the Option shall be immediately subject to the Unvested Share Repurchase Option and the Right of First Refusal with the same force and effect as the shares subject to the Unvested Share Repurchase Option and the Right of First Refusal immediately before such event.

15. **NOTICE OF SALES UPON DISQUALIFYING DISPOSITION**.

The Optionee shall dispose of the shares acquired pursuant to the Option only in accordance with the provisions of this Option Agreement. In addition, *if the Notice designates this Option as an Incentive Stock Option,* the Optionee shall (a) promptly notify the Chief Financial Officer of the Company if the Optionee disposes of any of the shares acquired pursuant to the Option within one (1) year after the date the Optionee exercises all or part of the Option or within two (2) years after the Date of Option Grant and (b) provide the Company with a description of the circumstances of such disposition. Until such time as the Optionee disposes of such shares in a manner consistent with the provisions of this Option Agreement, unless otherwise expressly authorized by the Company, the Optionee shall hold all shares acquired pursuant to the Option in the Optionee's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after Date of Option Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Optionee to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

16. **LEGENDS**.

The Company may at any time place legends referencing the Unvested Share Repurchase Option, the Right of First Refusal, and any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock subject to the provisions of this Option Agreement. The Optionee shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Optionee in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

16.1 "THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."

16.2 “THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN UNVESTED SHARE REPURCHASE OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER’S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.”

16.3 “THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER’S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.”

16.4 “THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (“ISO”). IN ORDER TO OBTAIN THE PREFERENTIAL TAX TREATMENT AFFORDED TO ISOs, THE SHARES SHOULD NOT BE TRANSFERRED PRIOR TO [*INSERT DISQUALIFYING DISPOSITION DATE HERE*]. SHOULD THE REGISTERED HOLDER ELECT TO TRANSFER ANY OF THE SHARES PRIOR TO THIS DATE AND FOREGO ISO TAX TREATMENT, THE TRANSFER AGENT FOR THE SHARES SHALL NOTIFY THE CORPORATION IMMEDIATELY. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE INCENTIVE STOCK OPTION IN THE REGISTERED HOLDER’S NAME (AND NOT IN THE NAME OF ANY NOMINEE) PRIOR TO THIS DATE OR UNTIL TRANSFERRED AS DESCRIBED ABOVE.”

17. **LOCK-UP AGREEMENT**.

The Optionee hereby agrees that in the event of any underwritten public offering of stock, including an initial public offering of stock, made by the Company pursuant to an effective registration statement filed under the Securities Act, the Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such public offering. The foregoing limitation shall not apply to shares registered in the public offering under the Securities Act.

18. **RESTRICTIONS ON TRANSFER OF SHARES**.

No shares acquired upon exercise of the Option may be sold, exchanged, transferred (including, without limitation, any transfer to a nominee or agent of the Optionee), assigned, pledged, hypothecated or otherwise disposed of, including by operation of law, in any manner which violates any of the provisions of this Option Agreement and, except pursuant to an Ownership Change Event, until the date on which such shares become Vested Shares, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any shares which will have been transferred in violation of any of the provisions set forth in this Option Agreement or (b) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares will have been so transferred.

19. **MISCELLANEOUS PROVISIONS.**

19.1 **Binding Effect.** Subject to the restrictions on transfer set forth herein, this Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

19.2 **Termination or Amendment.** The Board may terminate or amend the Plan or the Option at any time; provided, however, that except as provided in Section 8.2 in connection with a Change in Control, no such termination or amendment may adversely affect the Option or any unexercised portion hereof without the consent of the Optionee unless such termination or amendment is necessary to comply with any applicable law or government regulation or is required to enable the Option, if designated an Incentive Stock Option in the Notice, to qualify as an Incentive Stock Option. No amendment or addition to this Option Agreement shall be effective unless in writing.

19.3 **Notices.** Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Option Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the address shown below that party's signature or at such other address as such party may designate in writing from time to time to the other party.

19.4 **Integrated Agreement.** The Notice, this Option Agreement and the Plan constitute the entire understanding and agreement of the Optionee and the Participating Company Group with respect to the subject matter contained herein or therein and supersedes any prior agreements, understandings, restrictions, representations, or warranties among the Optionee and the Participating Company Group with respect to such subject matter other than those as set forth or provided for herein or therein. To the extent contemplated herein or therein, the provisions of the Notice and the Option Agreement shall survive any exercise of the Option and shall remain in full force and effect.

19.5 **Applicable Law.** This Option Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California.

19.6 **Counterparts.** The Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

☐ Incentive Stock Option

☐ Nonstatutory Stock Option

Optionee: _____

Date: _____

STOCK OPTION EXERCISE NOTICE
(IMMEDIATELY EXERCISABLE)

Pacific DataVision
Attention: Chief Financial Officer

_____

_____

Ladies and Gentlemen:

1. **Option.** I was granted an option (the *"**Option**"*) to purchase shares of the common stock (the *"**Shares**"*) of Pacific DataVision (the *"**Company**"*) pursuant to the Company's 2004 Stock Plan (the *"**Plan**"*), my Notice of Grant of Stock Option (the *"**Notice**"*) and my Stock Option Agreement (the *"**Option Agreement**"*) as follows:

Grant Number: _____

Date of Option Grant: _____

Number of Option Shares: _____

Exercise Price per Share: $ _____

2. **Exercise of Option.** I hereby elect to exercise the Option to purchase the following number of Shares:

Vested Shares: _____

Unvested Shares: _____

Total Shares Purchased: _____

Total Exercise Price (Total Shares X Price per Share) $ _____

3. **Payments.** I enclose payment in full of the total exercise price for the Shares in the following form(s), as authorized by my Option Agreement:

☐ Cash: $ _____

☐ Check: $ _____

☐ Tender of Company Stock: Contact Plan Administrator

4. **Tax Withholding.** I authorize payroll withholding and otherwise will make adequate provision for the federal, state, local and foreign tax withholding obligations of the Company, if any, in connection with the Option. If I am exercising a Nonstatutory Stock Option, I enclose payment in full of my withholding taxes, if any, as follows:

(Contact Plan Administrator for amount of tax due.)

☐ Cash: $ _____

☐ Check: $ _____

5. **Optionee Information.**

My address is: _____

_____

My Social Security Number is: _____

6. **Notice of Disqualifying Disposition.** If the Option is an Incentive Stock Option, I agree that I will promptly notify the Chief Financial Officer of the Company if I transfer any of the Shares within one (1) year from the date I exercise all or part of the Option or within two (2) years of the Date of Option Grant.

7. **Binding Effect.** I agree that the Shares are being acquired in accordance with and subject to the terms, provisions and conditions of the Option Agreement, including the Unvested Share Repurchase Option and the Right of First Refusal set forth therein, to all of which I hereby expressly assent. This Agreement shall inure to the benefit of and be binding upon my heirs, executors, administrators, successors and assigns. If required by the Company, I agree to deposit the certificate(s) evidencing the Shares, along with a blank stock assignment separate from certificate executed by me, with an escrow agent designated by the Company, to be held pursuant to the Company's standard Joint Escrow Instructions.

8. **Transfer.** I understand and acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the *"**Securities Act**"*), and that consequently the Shares must be held indefinitely unless they are subsequently registered under the Securities Act, an exemption from such registration is available, or they are sold in accordance with Rule 144 or Rule 701 under the Securities Act. I further understand and acknowledge that the Company is under no obligation to register the Shares. I understand that the certificate or certificates evidencing the Shares will be imprinted with legends which prohibit the transfer of the Shares unless they are registered or such registration is not required in the opinion of legal counsel satisfactory to the Company.

I am aware that Rule 144 under the Securities Act, which permits limited public resale of securities acquired in a nonpublic offering, is not currently available with respect to the Shares and, in any event, is available only if certain conditions are satisfied. I understand that any sale of the Shares that might be made in reliance upon Rule 144 may only be made in limited amounts in accordance with the terms and conditions of such rule and that a copy of Rule 144 will be delivered to me upon request.

9. **Election Under Section 83(b) of the Code.** I understand and acknowledge that if I am exercising the Option to purchase Unvested Shares (i.e., shares that remain subject to the Company's Unvested Share Repurchase Option), that I should consult with my tax advisor regarding the advisability

of filing with the Internal Revenue Service an election under Section 83(b) of the Code, which must be filed no later than thirty (30) days after the date on which I exercise the Option. I acknowledge that I have been advised to consult with a tax advisor prior to the exercise of the Option regarding the tax consequences to me of exercising the Option. AN ELECTION UNDER SECTION 83(b) MUST BE FILED WITHIN 30 DAYS AFTER THE DATE ON WHICH I PURCHASE SHARES. THIS TIME PERIOD CANNOT BE EXTENDED. I ACKNOWLEDGE THAT TIMELY FILING OF A SECTION 83(b) ELECTION IS MY SOLE RESPONSIBILITY, EVEN IF I REQUEST THE COMPANY OR ITS REPRESENTATIVES TO FILE SUCH ELECTION ON MY BEHALF.

I understand that I am purchasing the Shares pursuant to the terms of the Plan, the Notice and my Option Agreement, copies of which I have received and carefully read and understand.

Very truly yours,

_____

(Signature)

Receipt of the above is hereby acknowledged.

PACIFIC DATAVISION

By: _____

Title: _____

Dated: _____

PACIFIC DATAVISION
2010 STOCK PLAN
(as amended)

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

1.1 **Establishment**. This Pacific DataVision 2010 Stock Plan (as amended, the "***Plan***") was established effective as of September 1, 2010 ("***Effective Date***") and amended effective May 12, 2014.

1.2 **Purpose**. The purpose of the Plan is to advance the interests of the Participating Company Group (as defined below) and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Restricted Stock Purchase Rights, and Restricted Stock Bonuses (each as defined below). The Company intends that Awards granted pursuant to the Plan be exempt from or comply with Section 409A of the Code (including any amendments or replacements of such section), and the Plan shall be so construed.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Board (as defined below); provided, however, that all Awards shall be granted, if at all, within ten (10) years from the earlier of the date the Plan is adopted by the Board or the date the Plan is duly approved by the stockholders of the Company.

2. **DEFINITIONS AND CONSTRUCTION.**

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "***Award***" means an Option, Restricted Stock Purchase Right, or Restricted Stock Bonus granted under the Plan.

(b) "***Award Agreement***" means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant.

(c) "***Board***" means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, "***Board***" also means such Committee(s).

(d) "***Cause***" means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or written contract of employment or service, any of the following: (i) the Participant's theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a

Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (v) the Participant's repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(e) "***Change in Control***" means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or written contract of employment or service, the occurrence of any of the following:

(i) an Ownership Change Event or a series of related Ownership Change Events (collectively, a "***Transaction***") in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(v)(iii), the entity to which the assets of the Company were transferred (the "***Transferee***"), as the case may be; or

(ii) the liquidation or dissolution of the Company.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Board shall have the right to determine whether multiple sales or exchanges of the voting securities of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended, and any applicable regulations and administrative guidelines promulgated thereunder.

(g) "***Committee***" means the compensation committee or other committee or subcommittee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law.

(h) "***Company***" means Pacific Datavision, a California corporation, or any successor corporation thereto.

(i) "***Consultant***" means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on either the exemption from registration provided by Rule 701 under the Securities Act or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act.

(j) "***Director***" means a member of the Board.

(k) "***Disability***" means the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Participating Company Group because of the sickness or injury of the Participant.

(l) "***Employee***" means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(m) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(n) "***Fair Market Value***" means, as of any date, the value of a share of Stock or other property as determined by the Board, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) If, on such date, the Stock is listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or market system constituting the primary market for the Stock, as reported in The Wall Street Journal or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or market system, the date on

which the Fair Market Value shall be established shall be the last day on which the Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its discretion.

(ii) If, on such date, the Stock is not listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be as determined by the Board in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A of the Code.

(o) "***Incentive Stock Option***" means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(p) "***Insider***" means an Officer, a Director or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(q) "***Insider Trading Policy***" means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(r) "***Net-Exercise***" means a procedure by which the Participant will be issued a number of whole shares of Stock upon the exercise of an Option determined in accordance with the following formula:

N = X(A-B)/A, where

"N" = the number of shares of Stock to be issued to the Participant upon exercise of the Option;

"X" = the total number of shares with respect to which the Participant has elected to exercise the Option;

"A" = the Fair Market Value of one (1) share of Stock determined on the exercise date; and

"B" = the exercise price per share (as defined in the Participant's Award Agreement)

(s) "***Nonstatutory Stock Option***" means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an Incentive Stock Option.

(t) "***Officer***" means any person designated by the Board as an officer of the Company.

(u) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(v) "***Ownership Change Event***" means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(w) "***Parent Corporation***" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(x) "***Participant***" means any eligible person who has been granted one or more Awards.

(y) "***Participating Company***" means the Company or any Parent Corporation or Subsidiary Corporation.

(z) "***Participating Company Group***" means, at any point in time, all entities collectively which are then Participating Companies.

(aa) "***Restricted Stock Award***" means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(bb) "***Restricted Stock Bonus***" means Stock granted to a Participant pursuant to Section 7.

(cc) "***Restricted Stock Purchase Right***" means a right to purchase Stock granted to a Participant pursuant to Section 7.

(dd) "***Rule 16b-3***" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(ee) "***Securities Act***" means the Securities Act of 1933, as amended.

(ff) "***Service***" means a Participant's employment or service with the Participating Company Group, whether in the capacity of an Employee, a Director or a Consultant. Unless otherwise provided by the Board, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Board, if any such leave taken by a Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant's Service shall be deemed to have terminated, unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. Except as otherwise provided by the Board, in its

discretion, the Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of and reason for such termination.

(gg) "***Stock***" means the Common Stock and Series AA Preferred Stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(hh) "***Subsidiary Corporation***" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(ii) "***Ten Percent Stockholder***" means a person who, at the time an Award is granted to such person, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company within the meaning of Section 422(b)(6) of the Code.

(jj) "***Vesting Conditions***" mean those conditions established in accordance with the Plan prior to the satisfaction of which shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service.

2.2 **Construction**. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION**.

3.1 **Administration by the Board**. The Plan shall be administered by the Board. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Board, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein.

3.2 **Authority of Officers**. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Powers of the Board**. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Board shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock to be subject to each Award;

(b) to determine the type of Award granted;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award or shares acquired pursuant thereto, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or shares acquired pursuant thereto, (v) the time of expiration of any Award, (vi) the effect of any Participant's termination of Service on any of the foregoing, and (vii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to approve one or more forms of Award Agreement;

(f) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(g) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(h) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Board deems necessary or desirable to comply with the laws of, or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose citizens may be granted Awards; and

(i) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Board may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.4 **Administration with Respect to Insiders**. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.5 **Indemnification**. In addition to such other rights of indemnification as they may have as members of the Board or officers or employees of the Participating Company Group, members of the Board and any officers or employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. **SHARES SUBJECT TO PLAN**.

4.1 **Maximum Number of Shares Issuable**. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be 3,866,004 shares of Series AA Preferred Stock and 3,418,325 shares of Common Stock and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof. If an outstanding Award for any reason expires or is terminated or canceled or if shares of Stock are acquired pursuant to an Award subject to forfeiture or repurchase and are forfeited or repurchased by the Company for an amount not greater than the Participant's exercise or purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Notwithstanding the foregoing, at any such time as the offer and sale of securities pursuant to the Plan is subject to compliance with Section 260.140.45 of Title 10 of the California Code of Regulations ("***Section 260.140.45***"), the total number of shares of Stock issuable upon the exercise of all outstanding Awards (together with options outstanding under any other stock plan of the Company) and the total number of shares provided for under any stock bonus or similar plan of the Company shall not exceed thirty percent (30%) (or such other higher percentage limitation as may be approved by the stockholders of the Company pursuant to Section 260.140.45) of the then outstanding shares of the Company as calculated in accordance with the conditions and exclusions of Section 260.140.45.

4.2 **Adjustments for Changes in Capital Structure**. Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any

outstanding Awards, in the ISO Share Limit set forth in Section 5.3(a), and in the exercise or purchase price per share of any outstanding Awards in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "***New Shares***"), the Board may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Board, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and the exercise price per share shall be rounded up to the nearest whole cent. In no event may the exercise or purchase price, if any, under any Award be decreased to an amount less than the par value, if any, of the stock subject to the Award. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

5. **ELIGIBILITY AND OPTION LIMITATIONS**.

5.1 **Persons Eligible for Awards**. Awards may be granted only to Employees, Consultants and Directors.

5.2 **Participation in the Plan**. Awards are granted solely at the discretion of the Board. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 **Incentive Stock Option Limitations**.

(a) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options**. Subject to Section 4.1 and adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed the limit established by the Code for Incentive Stock Options (the "***ISO Share Limit***"). The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to all Awards other than Incentive Stock Options shall be the number of shares determined in accordance with Section 4.1, subject to adjustment as provided in Section 4.2.

(b) **Persons Eligible**. An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee. Any person who is not an Employee on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(c) **Fair Market Value Limitation**. To the extent that options designated as Incentive Stock Options (granted under all stock plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time

during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portions of such options which exceed such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section 5.3, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option.

6. **STOCK OPTIONS**.

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Board shall from time to time establish. Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price**. The exercise price for each Option shall be established in the discretion of the Board; provided, however, that (a) the exercise price per share for an Option shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Stockholder shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

6.2 **Exercisability and Term of Options**. Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option and (b) no Incentive Stock Option granted to a Ten Percent Stockholder shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option. Subject to the foregoing, unless otherwise specified by the Board in the grant of an Option, any Option granted hereunder shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price**.

(a) ***Forms of Consideration Authorized***. Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) (a "***Cashless Exercise***"), (iv) by delivery of a properly executed notice electing a Net-Exercise, (v) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (vi) by any combination thereof. The Board may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) **Limitations on Forms of Consideration**.

(i) **Tender of Stock**. Notwithstanding the foregoing, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. Unless otherwise provided by the Board, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for more than six (6) months or such other period, if any, required by the Company (and were not used for another Option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise**. The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

6.4 **Effect of Termination of Service**.

(a) ***Option Exercisability*.** Subject to earlier termination of the Option as otherwise provided by this Plan and unless a longer exercise period is provided by the Board, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate:

(i) **Disability**. If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the

expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the "***Option Expiration Date***").

(ii) **Death**. If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service.

(iii) **Termination for Cause**. Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service.

(iv) **Other Termination of Service**. If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of ninety (90) days after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented by Law.*** Notwithstanding the foregoing other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 11 below, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer be prevented by such provisions or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 **Transferability of Options**. During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Board, in its discretion, and set forth in the Award Agreement evidencing such Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, described in Rule 701 under the Securities Act, and the General Instructions to Form S-8 Registration Statement under the Securities Act.

7. **RESTRICTED STOCK AWARDS**.

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the

number of shares of Stock subject to the Award, in such form as the Board shall from time to time establish. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Types of Restricted Stock Awards Authorized**. Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Board shall determine, including, without limitation, upon the attainment of one or more performance goals.

7.2 **Purchase Price**. The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Board in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

7.3 **Purchase Period**. A Restricted Stock Purchase Right shall be exercisable within a period established by the Board, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

7.4 **Payment of Purchase Price**. Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

7.5 **Vesting and Restrictions on Transfer**. Shares issued pursuant to any Restricted Stock Award may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, as shall be established by the Board and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 7.8. The Board, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Insider Trading Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Insider Trading Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates

representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

7.6 **Voting Rights; Dividends and Distributions**. Except as provided in this Section, Section 7.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares. However, in the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.2, any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

7.7 **Effect of Termination of Service**. Unless otherwise provided by the Board in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

7.8 **Nontransferability of Restricted Stock Award Rights**. Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

8. **STANDARD FORMS OF AWARD AGREEMENTS**.

8.1 **Award Agreements**. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Board and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Any Award Agreement may consist of an appropriate form of Notice of Grant and a form of Agreement incorporated therein by reference, or such other form or forms, including electronic media, as the Board may approve from time to time.

8.2 **Authority to Vary Terms**. The Board shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

9. **CHANGE IN CONTROL**.

9.1 **Effect of Change in Control on Awards**. Subject to the requirements and limitations of Section 409A of the Code, if applicable, the Board may provide for any one or more of the following:

(a) ***Accelerated Vesting***. The Board may, in its discretion, provide in any Award Agreement or, in the event of a Change in Control, may take such actions as it deems appropriate to provide for the acceleration of the exercisability and/or vesting in connection with such Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following such Change in Control, to such extent as the Board shall determine.

(b) ***Assumption, Continuation or Substitution of Awards.*** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock. For purposes of this Section, if so determined by the Board, in its discretion, an Award or any portion thereof shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to such portion of the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled; provided, however, that if such consideration is not solely common stock of the Acquiror, the Board may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise of the Award, for each share of Stock, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of an Award prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the

Award Agreement evidencing such Award except as otherwise provided in such Award Agreement.

(c) ***Cash-Out of Outstanding Awards.*** The Board may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award or portion thereof outstanding immediately prior to the Change in Control shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Board) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced by the exercise or purchase price per share, if any, under such Award. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its sole discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. In the event such determination is made by the Board, the amount of such payment (reduced by applicable withholding taxes, if any) shall be paid to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

9.2 **Federal Excise Tax Under Section 4999 of the Code**.

(a) ***Excess Parachute Payment***. If any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, then, provided such election would not subject the Participant to taxation under Section 409A of the Code, the Participant may elect, in his or her sole discretion, to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Independent Accountants***. To aid the Participant in making any election called for under Section 9.2(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 9.2(a), the Company shall request a determination in writing by independent public accountants selected by the Company (the "***Accountants***"). As soon as practicable thereafter, the Accountants shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 9.2(b).

10. **TAX WITHHOLDING**.

10.1 **Tax Withholding in General**. The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, including by means of a Cashless Exercise of an Option, to make adequate provision for, the federal, state, local and foreign taxes (including any social insurance tax), if any, required by law to be withheld by the Participating Company Group with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock or to release shares of Stock from an escrow established pursuant to an Award Agreement until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

10.2 **Withholding in Shares**. The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Participating Company Group. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

11. **COMPLIANCE WITH SECURITIES LAW**.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

12. **AMENDMENT OR TERMINATION OF PLAN**.

The Board may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.2), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule, including

the rules of any stock exchange or market system upon which the Stock may then be listed. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Board. No amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant; provided, however, that notwithstanding any other provision of the Plan or any Award Agreement to the contrary, the Board may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A of the Code.

13. **MISCELLANEOUS PROVISIONS**.

13.1 **Repurchase Rights**. Shares issued under the Plan may be subject to a right of first refusal, one or more repurchase options, or other conditions and restrictions as determined by the Board in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

13.2 **Provision of Information**. The Company shall deliver to each Participant such disclosures as are required in accordance with Rule 701 under the Securities Act and any financial information required to be provided to Participants under applicable law.

13.3 **Rights as Employee, Consultant or Director**. No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

13.4 **Rights as a Stockholder**. A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.2 or another provision of the Plan.

13.5 **Delivery of Title to Shares**. Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one

or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

13.6 **Fractional Shares**. The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

13.7 **Retirement and Welfare Plans**. Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards shall be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing such benefits.

13.8 **Severability**. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

13.9 **No Constraint on Corporate Action**. Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

13.10 **Choice of Law**. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of California, without regard to its conflict of law rules.

13.11 **Stockholder Approval**. The Plan or any increase in the maximum aggregate number of shares of Stock issuable thereunder as provided in Section 4.1 (the "***Authorized Shares***") shall be approved by a majority of the outstanding securities of the Company entitled to vote by the later of (a) a period beginning twelve (12) months before and ending twelve (12) months after the date of adoption thereof by the Board or (b) the first issuance of any security pursuant to the Plan in the State of California (within the meaning of Section 25008 of the California Corporations Code). Awards granted prior to security holder approval of the Plan or in excess of the Authorized Shares previously approved by the security holders shall become exercisable no earlier than the date of security holder approval of the Plan or such increase in the Authorized Shares, as the case may be, and such Awards shall be rescinded if such security holder approval is not received in the manner described in the preceding sentence.

PACIFIC DATAVISION
NOTICE OF GRANT OF STOCK OPTION

The Participant has been granted an option (the *"**Option**"*) to purchase certain shares of the [Series AA Preferred or Common] Stock of Pacific Datavision, a California corporation, pursuant to the Pacific Datavision 2010 Stock Plan (the *"**Plan**"*), as follows:

Participant: _____

Date of Grant: _____

Number of Option Shares: _____ of [Series AA Preferred or Common] Stock

Exercise Price Per Share: $_____

Initial Vesting Date: The date one (1) year after *[vesting commencement date]*

Option Expiration Date: The date ten (10) years after the Date of Grant

Tax Status of Option: _____ Stock Option. (Enter "Incentive" or "Nonstatutory." If blank, this Option will be a Nonstatutory Stock Option.)

Vested Shares: Except as provided in the Stock Option Agreement, the number of Vested Shares (disregarding any resulting fractional share) as of any date is determined by multiplying the Number of Option Shares by the *"**Vested Ratio**"* determined as of such date as follows:

	Vested Ratio
Prior to Initial Vesting Date	0
On Initial Vesting Date, provided the Participant's Service has not terminated prior to such date	1/4
Plus	
For each additional full month of the Participant's continuous Service from Initial Vesting Date until the Vested Ratio equals 1/1, an additional	1/48

The Exercise Price represents an amount the Company believes to be no less than the fair market value of a share of Stock as of the Date of Grant, determined in good faith in compliance with the requirements of Section 409A of the Code. However, there is no guarantee that the Internal Revenue Service will agree with the Company's determination. A subsequent IRS determination that the Exercise Price is less than such fair market value could result in adverse tax consequences to the Participant. By signing below, the Participant agrees that the Company, its directors, officers and shareholders shall not be held liable for any tax, penalty, interest or cost incurred by the Participant as a result of such determination by the IRS. The Participant is urged to consult with his or her own tax advisor regarding the tax consequences of the Option, including the application of Section 409A.

By their signatures below, the Company and the Participant agree that the Option is governed by this Grant Notice and by the provisions of the Plan and the Stock Option Agreement, both of which are attached to and made a part of this document. The Participant acknowledges receipt of copies of the Plan and the Stock Option Agreement, represents that the Participant has read and is familiar with their provisions, and hereby accepts the Option subject to all of their terms and conditions.

PACIFIC DATAVISION	PARTICIPANT
By: _____	_____
	Signature
Its: _____	_____
	Date
Address:	_____
	Address
	_____

ATTACHMENTS: 2010 Stock Plan, as amended to the Date of Grant; Stock Option Agreement, and Exercise Notice

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

PACIFIC DATAVISION
STOCK OPTION AGREEMENT

Pacific Datavision has granted to the Participant named in the *Notice of Grant of Stock Option* (the "***Grant Notice***") to which this Stock Option Agreement (the "***Option Agreement***") is attached an option (the "***Option***") to purchase certain shares of [Series AA Preferred or Common] Stock (the "***Stock***") upon the terms and conditions set forth in the Grant Notice and this Option Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Pacific Datavision 2010 Stock Plan (the "***Plan***"), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with the terms and conditions of, the Grant Notice, this Option Agreement and the Plan, (b) accepts the Option subject to all of the terms and conditions of the Grant Notice, this Option Agreement and the Plan, and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Grant Notice, this Option Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION**.

1.1 **Definitions**. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 **Construction**. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Option Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **TAX CONSEQUENCES**.

2.1 **Tax Status of Option**. This Option is intended to have the tax status designated in the Grant Notice.

(a) ***Incentive Stock Option***. If the Grant Notice so designates, this Option is intended to be an Incentive Stock Option within the meaning of Section 422(b) of the Code, but the Company does not represent or warrant that this Option qualifies as such. The Participant should consult with the Participant's own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. (NOTE TO PARTICIPANT: If the Company permits the exercise of the Option more than three (3) months after the date on which you cease to be an Employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), and the Option is so exercised, the Option will be treated as a Nonstatutory Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)

(b) ***Nonstatutory Stock Option***. If the Grant Notice so designates, this Option is intended to be a Nonstatutory Stock Option and shall not be treated as an Incentive Stock Option within the meaning of Section 422(b) of the Code.

2.2 ***ISO Fair Market Value Limitation***. *If the Grant Notice designates this Option as an Incentive Stock Option*, then to the extent that the Option (together with all Incentive Stock Options granted to the Participant under all stock option plans of the Participating Company Group, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount will be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of stock is determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option. (NOTE TO PARTICIPANT: If the aggregate Exercise Price of the Option (that is, the Exercise Price multiplied by the Number of Option Shares) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other stock option plan of the Participating Company Group) is greater than $100,000, you should contact the Chief Financial Officer of the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option.)

3. **ADMINISTRATION**.

All questions of interpretation concerning the Grant Notice, this Option Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Option shall be determined by the Board. All such determinations by the Board shall be final, binding and conclusive upon all persons having an interest in the Option, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board in the exercise of its discretion pursuant to the Plan or the Option or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Option. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

4. **EXERCISE OF THE OPTION**.

4.1 **Right to Exercise**. Except as otherwise provided herein, the Option shall be exercisable on the earlier of (a) June 30, 2015, or (b) the Participant's "separation from service" with the Company, as defined in Section 409A of the Code, or within ninety (90) days thereafter (or, if shorter, the number of days remaining in the calendar year in which the Participant's separation from service occurs), and in all events prior to the termination of the Option (as provided in Section 6) in an amount not to exceed the number of Vested Shares, subject to the Company's repurchase rights set forth in Section 11. In no event shall the Option be exercisable for more shares than the Number of Option Shares, as adjusted pursuant to Section 9. If the Participant does not exercise the Option when it becomes exercisable in accordance with the foregoing, the Option will immediately terminate and be of no further effect.

4.2 **Method of Exercise**. Exercise of the Option shall be by means of electronic or written notice (the "***Exercise Notice***") in a form authorized by the Company. An electronic Exercise Notice must be digitally signed or authenticated by the Participant in such manner as required by the notice and transmitted to the Company or an authorized representative of the Company (including a third-party administrator designated by the Company). In the event that the Participant is not authorized or is unable to provide an electronic Exercise Notice, the Option shall be exercised by a written Exercise Notice addressed to the Company, which shall be signed by the Participant and delivered in person, by certified or registered mail, return receipt requested, by confirmed facsimile transmission, or by such other means as the Company may permit, to the Company, or an authorized representative of the Company (including a third-party administrator designated by the Company). Each Exercise Notice, whether electronic or written, must state the Participant's election to exercise the Option, the number of whole shares of Stock for which the Option is being exercised and such other representations and agreements as to the Participant's investment intent with respect to such shares as may be required pursuant to the provisions of this Option Agreement. Further, each Exercise Notice must be received by the Company prior to the termination of the Option as set forth in Section 6 and must be accompanied by full payment of the aggregate Exercise Price for the number of shares of Stock being purchased. The Option shall be deemed to be exercised upon receipt by the Company of such electronic or written Exercise Notice and the aggregate Exercise Price.

4.3 **Payment of Exercise Price**.

(a) ***Forms of Consideration Authorized***. Except as otherwise provided below, payment of the aggregate Exercise Price for the number of shares of Stock for which the Option is being exercised shall be made (i) in cash, by check or in cash equivalent, (ii) if permitted by the Company, by tender to the Company, or attestation to the ownership, of whole shares of Stock owned by the Participant having a Fair Market Value not less than the aggregate Exercise Price, (iii) by means of a Cashless Exercise, as defined in Section 4.3(b), (iv) if permitted by the Company, by means of a Net-Exercise, or (v) by any combination of the foregoing.

(b) ***Limitations on Forms of Consideration***.

(i) **Tender of Stock**. Notwithstanding the foregoing, the Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. If required by the Company, the Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for more than six (6) months or such other period, if any, required by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise**. A "***Cashless Exercise***" means the delivery of a properly executed notice of exercise together with irrevocable instructions to a broker in a form acceptable to the Company providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares of Stock acquired upon the exercise of the Option pursuant to a program or procedure approved by the Company (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve, or terminate any such program or procedure, including with respect to the Participant notwithstanding that such program or procedures may be available to others.

4.4 **Tax Withholding**. At the time the Option is exercised, in whole or in part, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for (including by means of a Cashless Exercise to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax (including any social insurance tax) withholding obligations of the Participating Company Group, if any, which arise in connection with the Option. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company Group have been satisfied by the Participant.

4.5 **Beneficial Ownership of Shares; Certificate Registration**. The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the

Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all shares acquired by the Participant pursuant to the exercise of the Option. Except as provided by the preceding sentence, a certificate for the shares as to which the Option is exercised shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

4.6 **Restrictions on Grant of the Option and Issuance of Shares**. The grant of the Option and the issuance of shares of Stock upon exercise of the Option shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise of the Option be in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. THE PARTICIPANT IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE PARTICIPANT MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4.7 **Fractional Shares**. The Company shall not be required to issue fractional shares upon the exercise of the Option.

5. **NONTRANSFERABILITY OF THE OPTION**.

During the lifetime of the Participant, the Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. The Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Following the death of the Participant, the Option, to the extent provided in Section 7, may be exercised by the Participant's legal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

6. **TERMINATION OF THE OPTION**.

The Option shall terminate and may no longer be exercised after the first to occur of (a) the close of business on the Option Expiration Date, (b) the close of business on the last date

for exercising the Option as described in Section 4.1, or (c) a Change in Control to the extent provided in Section 8.

7. **EFFECT OF TERMINATION OF SERVICE**.

7.1 **Option Exercisability**. Upon the Participant's termination of Service, (i) the right pursuant to the Option to purchase any shares of Stock that are not Vested Shares shall terminate immediately, and (ii) the right pursuant to the Option to purchase any Vested Shares shall be exercisable after such termination only as determined under Section 4.1 and thereafter shall terminate. Notwithstanding any other provision of this Option Agreement, if the Participant's Service is terminated for Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service.

7.2 **Extension if Exercise Prevented by Law**. Notwithstanding the foregoing other than termination of Service for Cause, if the exercise of the Option is prevented by the provisions of Section 4.6, the Option shall become exercisable on thirty (30) days after the date such exercise first would no longer be prevented by such provisions, but in any event no later than the Option Expiration Date.

8. **EFFECT OF CHANGE IN CONTROL**.

In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the Option or substitute for all or any portion of the Option a substantially equivalent option for the Acquiror's stock. For purposes of this Section, the Option or any portion thereof shall be deemed assumed if, following the Change in Control, the Option confers the right to receive, subject to the terms and conditions of the Plan and this Option Agreement, for each share of Stock subject to such portion of the Option immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled; provided, however, that if such consideration is not solely common stock of the Acquiror, the Board may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise of the Option for each share of Stock to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. If the Option is neither assumed nor substituted for by the Acquiror in connection with the Change in Control, the Option shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control to the extent that the Option is not exercised as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of the Option prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of this Option Agreement except as otherwise provided herein.

9. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE**.

Subject to any required action by the shareholders of the Company and requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the shareholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number, Exercise Price and kind of shares subject to the Option, in order to prevent dilution or enlargement of the Participant's rights under the Option. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and the Exercise Price shall be rounded up to the nearest whole cent. In no event may the Exercise Price be decreased to an amount less than the par value, if any, of the stock subject to the Option. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

10. **RIGHTS AS A SHAREHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT**.

The Participant shall have no rights as a shareholder with respect to any shares covered by the Option until the date of the issuance of the shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Option Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service as a Director, an Employee or Consultant, as the case may be, at any time.

11. **RIGHT OF FIRST REFUSAL**.

11.1 **Grant of Right of First Refusal**. Except as provided in Section 11.7 and Section 16 below, in the event the Participant, the Participant's legal representative, or other holder of shares acquired upon exercise of the Option proposes to sell, exchange, transfer, pledge, or otherwise dispose of any Vested Shares (the "***Transfer Shares***") to any person or entity, including, without limitation, any shareholder of a Participating Company, the Company shall have the right to repurchase the Transfer Shares under the terms and subject to the conditions set forth in this Section 11 (the "***Right of First Refusal***").

11.2 **Notice of Proposed Transfer**. Prior to any proposed transfer of the Transfer Shares, the Participant shall deliver written notice (the "***Transfer Notice***") to the

Company describing fully the proposed transfer, including the number of Transfer Shares, the name and address of the proposed transferee (the "***Proposed Transferee***") and, if the transfer is voluntary, the proposed transfer price, and containing such information necessary to show the bona fide nature of the proposed transfer. In the event of a bona fide gift or involuntary transfer, the proposed transfer price shall be deemed to be the Fair Market Value of the Transfer Shares, as determined by the Board in good faith. If the Participant proposes to transfer any Transfer Shares to more than one Proposed Transferee, the Participant shall provide a separate Transfer Notice for the proposed transfer to each Proposed Transferee. The Transfer Notice shall be signed by both the Participant and the Proposed Transferee and must constitute a binding commitment of the Participant and the Proposed Transferee for the transfer of the Transfer Shares to the Proposed Transferee subject only to the Right of First Refusal.

11.3 **Bona Fide Transfer**. If the Company determines that the information provided by the Participant in the Transfer Notice is insufficient to establish the bona fide nature of a proposed voluntary transfer, the Company shall give the Participant written notice of the Participant's failure to comply with the procedure described in this Section 11, and the Participant shall have no right to transfer the Transfer Shares without first complying with the procedure described in this Section 11. The Participant shall not be permitted to transfer the Transfer Shares if the proposed transfer is not bona fide.

11.4 **Exercise of Right of First Refusal**. If the Company determines the proposed transfer to be bona fide, the Company shall have the right to purchase all, but not less than all, of the Transfer Shares (except as the Company and the Participant otherwise agree) at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Participant of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's right to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Participant or issued by a person other than the Participant with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Participant shall thereupon consummate the sale of the Transfer Shares to the Company on the terms set forth in the Transfer Notice within sixty (60) days after the date the Transfer Notice is delivered to the Company (unless a longer period is offered by the Proposed Transferee); provided, however, that in the event the Transfer Notice provides for the payment for the Transfer Shares other than in cash, the Company shall have the option of paying for the Transfer Shares by the present value cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Company. For purposes of the foregoing, cancellation of any indebtedness of the Participant to any Participating Company shall be treated as payment to the Participant in cash to the extent of the unpaid principal and any accrued interest canceled.

11.5 **Failure to Exercise Right of First Refusal**. If the Company fails to exercise the Right of First Refusal in full (or to such lesser extent as the Company and the Participant otherwise agree) within the period specified in Section 11.4 above, the Participant may conclude a transfer to the Proposed Transferee of the Transfer Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than ninety

(90) days following delivery to the Company of the Transfer Notice. The Company shall have the right to demand further assurances from the Participant and the Proposed Transferee (in a form satisfactory to the Company) that the transfer of the Transfer Shares was actually carried out on the terms and conditions described in the Transfer Notice. No Transfer Shares shall be transferred on the books of the Company until the Company has received such assurances, if so demanded, and has approved the proposed transfer as bona fide. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Participant, shall again be subject to the Right of First Refusal and shall require compliance by the Participant with the procedure described in this Section 11.

11.6 **Transferees of Transfer Shares**. All transferees of the Transfer Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Transfer Shares or interest therein subject to all of the terms and conditions of this Option Agreement, including this Section 11 providing for the Right of First Refusal with respect to any subsequent transfer. Any sale or transfer of any shares acquired upon exercise of the Option shall be void unless the provisions of this Section 11 are met.

11.7 **Transfers Not Subject to Right of First Refusal**. The Right of First Refusal shall not apply to any transfer or exchange of the shares acquired upon exercise of the Option if such transfer or exchange is in connection with an Ownership Change Event. If the consideration received pursuant to such transfer or exchange consists of stock of a Participating Company, such consideration shall remain subject to the Right of First Refusal unless the provisions of Section 11.9 below result in a termination of the Right of First Refusal.

11.8 **Assignment of Right of First Refusal**. The Company shall have the right to assign the Right of First Refusal at any time, whether or not there has been an attempted transfer, to one or more persons as may be selected by the Company.

11.9 **Early Termination of Right of First Refusal**. The other provisions of this Option Agreement notwithstanding, the Right of First Refusal shall terminate and be of no further force and effect upon (a) the occurrence of a Change in Control, unless the Acquiror assumes the Company's rights and obligations under the Option or substitutes a substantially equivalent option for the Acquiror's stock for the Option, or (b) the existence of a public market for the class of shares subject to the Right of First Refusal. A "***public market***" shall be deemed to exist if (i) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (ii) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

12. **STOCK DISTRIBUTIONS SUBJECT TO OPTION AGREEMENT**.

If, from time to time, there is any stock dividend, stock split or other change, as described in Section 9, in the character or amount of any of the outstanding stock of the corporation the stock of which is subject to the provisions of this Option Agreement, then in such event any and all new, substituted or additional securities to which the Participant is entitled by reason of the Participant's ownership of the shares acquired upon exercise of the Option shall be immediately

subject to the Right of First Refusal with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

13. **NOTICE OF SALES UPON DISQUALIFYING DISPOSITION**.

The Participant shall dispose of the shares acquired pursuant to the Option only in accordance with the provisions of this Option Agreement. In addition, *if the Grant Notice designates this Option as an Incentive Stock Option,* the Participant shall (a) promptly notify the Chief Financial Officer of the Company if the Participant disposes of any of the shares acquired pursuant to the Option within one (1) year after the date the Participant exercises all or part of the Option or within two (2) years after the Date of Grant and (b) provide the Company with a description of the circumstances of such disposition. Until such time as the Participant disposes of such shares in a manner consistent with the provisions of this Option Agreement, unless otherwise expressly authorized by the Company, the Participant shall hold all shares acquired pursuant to the Option in the Participant's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Participant to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

14. **LEGENDS**.

The Company may at any time place legends referencing the Right of First Refusal and any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock subject to the provisions of this Option Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

14.1 **"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."**

14.2 **"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, INCLUDING A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE**

SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION."

14.3 **"THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("ISO")**. IN ORDER TO OBTAIN THE PREFERENTIAL TAX TREATMENT AFFORDED TO ISOs, *THE SHARES SHOULD NOT BE TRANSFERRED PRIOR TO [INSERT DISQUALIFYING DISPOSITION DATE HERE*]. SHOULD THE REGISTERED HOLDER ELECT TO TRANSFER ANY OF THE SHARES PRIOR TO THIS DATE AND FOREGO ISO TAX TREATMENT, THE TRANSFER AGENT FOR THE SHARES SHALL NOTIFY THE CORPORATION IMMEDIATELY. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE INCENTIVE STOCK OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) PRIOR TO THIS DATE OR UNTIL TRANSFERRED AS DESCRIBED ABOVE."

15. **LOCK-UP AGREEMENT**.

The Participant hereby agrees that in the event of any underwritten public offering of stock, including an initial public offering of stock, made by the Company pursuant to an effective registration statement filed under the Securities Act, the Participant shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such public offering. The foregoing limitation shall not apply to shares registered in the public offering under the Securities Act. The Participant hereby agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within a reasonable timeframe if so requested by the Company.

16. **RESTRICTIONS ON TRANSFER OF SHARES**.

No shares acquired upon exercise of the Option may be sold, exchanged, transferred (including, without limitation, any transfer to a nominee or agent of the Participant), assigned, pledged, hypothecated or otherwise disposed of, including by operation of law in any manner which violates any of the provisions of this Option Agreement, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any shares which will have been transferred in violation of any of the provisions set forth in this Option Agreement or (b) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares will have been so transferred.

17. **MISCELLANEOUS PROVISIONS**.

17.1 **Termination or Amendment**. The Board may terminate or amend the Plan or the Option at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may adversely affect the Option or any unexercised portion hereof without the consent of the Participant unless such termination or amendment is necessary to comply with any applicable law or government regulation, including, but not limited to Section 409A of the Code. No amendment or addition to this Option Agreement shall be effective unless in writing.

17.2 **Compliance with Section 409A**. This Option Agreement is intended to comply with Section 409A of the Code and shall be administered, interpreted and construed in a manner consistent with this intent. The Company, in its reasonable discretion, may amend (including retroactively) the Plan and this Agreement in order to conform to the applicable requirements of Section 409A of the Code, including amendments to facilitate the Participant's ability to avoid taxation under Section 409A of the Code. If the Participant is a "specified employee" of a publicly traded company within the meaning of Section 409A of the Code as of the date of the Participant's "separation from service" as defined in Section 409A, and the Option becomes exercisable as a result of the Participant's "separation from service," then notwithstanding the provisions of Section 4, the Option will not be exercisable as set forth in Section 4, but instead will be exercisable on the first business day that is six (6) months after the date of the Participant's "separation from service" or, if earlier, the date of the Participant's death following the Participant's "separation from service." **However, the preceding provisions shall not be construed as a guarantee by the Company of any particular tax result for income realized by the Participant pursuant to the Plan or this Option Agreement**. In any event, and except for the responsibilities of the Company set forth in Section 4.4, no Participating Company shall be responsible for the payment of any applicable taxes on income realized by the Participant pursuant to the Plan or this Option Agreement.

17.3 **Further Instruments**. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Option Agreement.

17.4 **Binding Effect**. Subject to the restrictions on transfer set forth herein, this Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

17.5 **Delivery of Documents and Notices**. Any document relating to participation in the Plan, or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Option Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by the Participating Company, or, upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery***. The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Option Agreement, and any reports of the Company provided generally to the Company's shareholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice and Exercise Notice called for by Section 4.2 to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery***. The Participant acknowledges that the Participant has read Section 17.5(a) of this Option Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice and Exercise Notice, as described in Section 17.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 17.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 17.5(a).

17.6 **Integrated Agreement**. The Grant Notice, this Option Agreement and the Plan, together with any employment, service or other agreement with the Participant and a Participating Company referring to the Option, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, the Option Agreement and the Plan shall survive any exercise of the Option and shall remain in full force and effect.

17.7 **Applicable Law**. This Option Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California.

17.8 **Counterparts**. The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

☐ Incentive Stock Option
☐ Nonstatutory Stock Option

Participant: _____

Date: _____

STOCK OPTION EXERCISE NOTICE

Pacific Datavision

Attention: _____

Ladies and Gentlemen:

1. **Option**. I was granted an option (the "***Option***") to purchase shares of the common stock (the "***Shares***") of Pacific Datavision (the "***Company***") pursuant to the Company's 2010 Stock Plan (the "***Plan***"), my Notice of Grant of Stock Option (the "***Grant Notice***") and my Stock Option Agreement (the "***Option Agreement***") as follows:

Date of Grant: _____

Number of Option Shares: _____

Exercise Price per Share: $ _____

2. **Exercise of Option**. I hereby elect to exercise the Option to purchase the following number of Shares, all of which are Vested Shares, in accordance with the Grant Notice and the Option Agreement:

Total Shares Purchased: _____

Total Exercise Price (Total Shares X Price per Share) $ _____

3. **Payments**. I enclose payment in full of the total exercise price for the Shares in the following form(s), as authorized by my Option Agreement:

☐ Cash: $ _____

☐ Check: $ _____

☐ Tender of Company Stock: Contact Plan Administrator

4. **Tax Withholding**. I authorize payroll withholding and otherwise will make adequate provision for the federal, state, local and foreign tax withholding obligations of the Company, if any, in connection with the Option. If I am exercising a Nonstatutory Stock Option, I enclose payment in full of my withholding taxes, if any, as follows:

(Contact Plan Administrator for amount of tax due.)

☐ Cash: $ _____

☐ Check: $ _____

5. **Participant Information**.

My address is: _____

_____

My Social Security Number is: _____

6. **Notice of Disqualifying Disposition**. If the Option is an Incentive Stock Option, I agree that I will promptly notify the Chief Financial Officer of the Company if I transfer any of the Shares within one (1) year from the date I exercise all or part of the Option or within two (2) years of the Date of Grant.

7. **Binding Effect**. I agree that the Shares are being acquired in accordance with and subject to the terms, provisions and conditions of the Grant Notice, the Option Agreement, including the Right of First Refusal set forth therein, and the Plan, to all of which I hereby expressly assent. This Agreement shall inure to the benefit of and be binding upon my heirs, executors, administrators, successors and assigns.

8. **Transfer**. I understand and acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), and that consequently the Shares must be held indefinitely unless they are subsequently registered under the Securities Act, an exemption from such registration is available, or they are sold in accordance with Rule 144 or Rule 701 under the Securities Act. I further understand and acknowledge that the Company is under no obligation to register the Shares. I understand that the certificate or certificates evidencing the Shares will be imprinted with legends which prohibit the transfer of the Shares unless they are registered or such registration is not required in the opinion of legal counsel satisfactory to the Company.

I am aware that Rule 144 under the Securities Act, which permits limited public resale of securities acquired in a nonpublic offering, is not currently available with respect to the Shares and, in any event, is available only if certain conditions are satisfied. I understand that any sale of the Shares that might be made in reliance upon Rule 144 may only be made in limited amounts in accordance with the terms and conditions of such rule and that a copy of Rule 144 will be delivered to me upon request.

I understand that I am purchasing the Shares pursuant to the terms of the Plan, the Grant Notice and my Option Agreement, copies of which I have received and carefully read and understand.

Very truly yours,

_____

(Signature)

Receipt of the above is hereby acknowledged.

Pacific Datavision

By: _____

Title: _____

Dated: _____

PACIFIC DATAVISION
NOTICE OF GRANT OF RESTRICTED STOCK BONUS

Pacific Datavision (the *"**Company**"*) has granted to the Participant an award (the *"**Award**"*) of certain units pursuant to the Pacific Datavision 2010 Stock Plan (the *"**Plan**"*), each of which represents the right to receive on the applicable Settlement Date one (1) share of Series AA Preferred Stock, as follows:

Participant: _____

Date of Grant: _____

Total Number of Units: _____, subject to adjustment as provided by the Restricted Stock Bonus Agreement.

Settlement Date: Except as provided by the Restricted Stock Bonus Agreement, the earlier of:

1. June 30, 2015; or
2. the date the Participant's Service terminates for any reason.

Expiration Date: The earlier of June 30, 2015 or the 10th anniversary of the Date of Grant.

Vesting Start Date: _____

Vested Units: Except as provided in the Restricted Stock Bonus Agreement, the number of Vested Units (disregarding any resulting fractional unit) as of any date is determined by multiplying the Total Number of Units by the *"**Vested Ratio**"* determined as of such date as follows:

	Vested Ratio
Prior to the Vesting Start Date	0
On the Vesting Start Date, provided the Participant's Service has not terminated prior to such date	[TBD]
Plus	
For each additional full month of the Participant's continuous Service from the Vesting Start Date until the Vested Ratio equals 1/1, an additional	[TBD]

By their signatures below, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Plan and the Restricted Stock Bonus Agreement, both of which are made a part of this document. The Participant acknowledges receipt of copies of the Plan and the Restricted Stock Bonus Agreement, represents that the Participant has read and is familiar with their provisions, and hereby accepts the Award subject to all of their terms and conditions.

PACIFIC DATAVISION

By: _____

Its: _____

100 Hamilton Plaza
Lobby Floor
Paterson, NJ 07505

PARTICIPANT

_____
Signature

_____
Date

_____
Address

ATTACHMENTS: 2010 Stock Plan, as amended to the Date of Grant; Restricted Stock Bonus Agreement

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

PACIFIC DATAVISION
RESTRICTED STOCK BONUS AGREEMENT

Pacific Datavision has granted to the Participant named in the *Notice of Grant of Restricted Stock Bonus* (the "***Grant Notice***") to which this Restricted Stock Bonus Agreement (the "***Agreement***") is attached an Award consisting of Restricted Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Pacific Datavision 2010 Stock Plan (the "***Plan***"), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement and the Plan, (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION**.

1.1 **Definitions.** Capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan, unless otherwise defined herein or as follows:

(a) "***Dividend Equivalent Units***" mean additional Restricted Stock Units credited pursuant to Section 3.3.

(b) "***Units***" mean the Restricted Stock Units originally granted pursuant to the Award and the Dividend Equivalent Units credited pursuant to the Award, as both shall be adjusted from time to time pursuant to Section 10.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **ADMINISTRATION**.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Board. All such determinations by the Board shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

3. **THE AWARD**.

3.1 **Grant of Units.** On the Date of Grant, the Participant shall acquire, subject to the provisions of this Agreement, the Total Number of Units set forth in the Grant Notice, subject to adjustment as provided in Section 3.3 and Section 10. Each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) share of Stock.

3.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Units.

3.3 **Dividend Equivalent Units.** On the date that the Company pays a cash dividend to holders of Stock generally, the Participant shall be credited with a number of additional whole Dividend Equivalent Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per share of Stock on such date and (ii) the sum of the Total Number of Units and the number of Dividend Equivalent Units previously credited to the Participant pursuant to the Award and which have not been settled or forfeited pursuant to the Company Reacquisition Right (as defined below) as of such date, by (b) the Fair Market Value per share of Stock on such date. Any resulting fractional Dividend Equivalent Unit shall be rounded to the nearest whole number. Such additional Dividend Equivalent Units shall be

subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Restricted Stock Units originally subject to the Award with respect to which they have been credited.

3.4 **Termination of the Award.** The Award shall terminate and no shares of Stock shall thereafter be issued in settlement of the Award after the first to occur of (a) the Expiration Date, (b) the date of the Participant's termination of Service, or (c) a Change in Control to the extent provided in Section 8.

4. **VESTING OF UNITS**.

Units acquired pursuant to this Agreement shall become Vested Units as provided in the Grant Notice. Dividend Equivalent Units shall become Vested Units at the same time as the Restricted Stock Units originally subject to the Award with respect to which they have been credited. For purposes of determining the number of Vested Units following an Ownership Change Event, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after the Ownership Change Event.

5. **COMPANY REACQUISITION RIGHT**.

5.1 **Grant of Company Reacquisition Right.** In the event that the Participant's Service terminates for any reason or no reason, with or without cause, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units (***"Unvested Units")***, and the Participant shall not be entitled to any payment therefor (the ***"Company Reacquisition Right"***).

5.2 **Ownership Change Event, Non-Cash Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 10, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy, which shall be treated in accordance with Section 3.3) to which the Participant is entitled by reason of the Participant's ownership of Unvested Units shall be immediately subject to the Company Reacquisition Right and included in the terms "Units" and "Unvested Units" for all purposes of the Company Reacquisition Right with the same force and effect as the Unvested Units immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Units following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

6. **SETTLEMENT OF THE AWARD.**

6.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 6.3 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Stock. Shares of Stock issued in

settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3, Section 7 or the Company's Trading Compliance Policy.

6.2 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

6.3 **Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

6.4 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the settlement of the Award.

7. **TAX WITHHOLDING**.

7.1 **In General.** At the time the Grant Notice is executed, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company, if any, which arise in connection with the Award, the vesting of Units or the issuance of shares of Stock in settlement thereof. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company have been satisfied by the Participant.

7.2 **Assignment of Sale Proceeds.** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Participating Company's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company

or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

7.3 **Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations by deducting from the shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

8. **EFFECT OF CHANGE IN CONTROL.**

In the event of a Change in Control, except to the extent that the Board determines to cash out the Award in accordance with Section 9.1(c) of the Plan, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the outstanding Units or substitute for all or any portion of the outstanding Units substantially equivalent rights with respect to the Acquiror's stock. For purposes of this Section, a Unit shall be deemed assumed if, following the Change in Control, the Unit confers the right to receive, subject to the terms and conditions of the Plan and this Agreement, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Board may, with the consent of the Acquiror, provide for the consideration to be received upon settlement of the Unit to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. The Award shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control to the extent that Units subject to the Award are neither assumed or continued by the Acquiror in connection with the Change in Control nor settled as of the time of the Change in Control.

9. **RIGHT OF FIRST REFUSAL**.

9.1 **Grant of Right of First Refusal.** Except as provided in Section 9.7, in the event the Participant, the Participant's legal representative, or other holder of shares acquired upon settlement of the Award proposes to sell, exchange, transfer, pledge, or otherwise dispose of any such shares (the *"**Transfer Shares**"*) to any person or entity, including, without limitation, any stockholder of a Participating Company, the Company shall have the right to repurchase the Transfer Shares under the terms and subject to the conditions set forth in this Section (the *"**Right of First Refusal**"*).

9.2 **Notice of Proposed Transfer.** Prior to any proposed transfer of the Transfer Shares, the Participant shall deliver written notice (the *"**Transfer Notice**"*) to the

Company describing fully the proposed transfer, including the number of Transfer Shares, the name and address of the proposed transferee (the "***Proposed Transferee***") and, if the transfer is voluntary, the proposed transfer price, and containing such information necessary to show the bona fide nature of the proposed transfer. In the event of a bona fide gift or involuntary transfer, the proposed transfer price shall be deemed to be the Fair Market Value of the Transfer Shares, as determined by the Board in good faith. If the Participant proposes to transfer any Transfer Shares to more than one Proposed Transferee, the Participant shall provide a separate Transfer Notice for the proposed transfer to each Proposed Transferee. The Transfer Notice shall be signed by both the Participant and the Proposed Transferee and must constitute a binding commitment of the Participant and the Proposed Transferee for the transfer of the Transfer Shares to the Proposed Transferee subject only to the Right of First Refusal.

9.3 **Bona Fide Transfer.** If the Company determines that the information provided by the Participant in the Transfer Notice is insufficient to establish the bona fide nature of a proposed voluntary transfer, the Company shall give the Participant written notice of the Participant's failure to comply with the procedure described in this Section 9, and the Participant shall have no right to transfer the Transfer Shares without first complying with the procedure described in this Section 9. The Participant shall not be permitted to transfer the Transfer Shares if the proposed transfer is not bona fide.

9.4 **Exercise of Right of First Refusal.** If the Company determines the proposed transfer to be bona fide, the Company shall have the right to purchase all, but not less than all, of the Transfer Shares (except as the Company and the Participant otherwise agree) at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Participant of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's right to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Participant or issued by a person other than the Participant with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Participant shall thereupon consummate the sale of the Transfer Shares to the Company on the terms set forth in the Transfer Notice within sixty (60) days after the date the Transfer Notice is delivered to the Company (unless a longer period is offered by the Proposed Transferee); provided, however, that in the event the Transfer Notice provides for the payment for the Transfer Shares other than in cash, the Company shall have the option of paying for the Transfer Shares by the present value cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Company. For purposes of the foregoing, cancellation of any indebtedness of the Participant to any Participating Company shall be treated as payment to the Participant in cash to the extent of the unpaid principal and any accrued interest canceled. Notwithstanding anything contained in this Section to the contrary, the period during which the Company may exercise the Right of First Refusal and consummate the purchase of the Transfer Shares from the Participant shall terminate no sooner than the completion of a period of eight (8) months following the date on which the Participant acquired the Transfer Shares.

9.5 **Failure to Exercise Right of First Refusal.** If the Company fails to exercise the Right of First Refusal in full (or to such lesser extent as the Company and the Participant otherwise agree) within the period specified in Section 9.4, the Participant may conclude a transfer to the Proposed Transferee of the Transfer Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than ninety (90) days following delivery to the Company of the Transfer Notice or, if applicable, following the end of the period described in the last sentence of Section 9.4. The Company shall have the right to demand further assurances from the Participant and the Proposed Transferee (in a form satisfactory to the Company) that the transfer of the Transfer Shares was actually carried out on the terms and conditions described in the Transfer Notice. No Transfer Shares shall be transferred on the books of the Company until the Company has received such assurances, if so demanded, and has approved the proposed transfer as bona fide. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Participant, shall again be subject to the Right of First Refusal and shall require compliance by the Participant with the procedure described in this Section.

9.6 **Transferees of Transfer Shares.** All transferees of the Transfer Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Transfer Shares or interest therein subject to all of the terms and conditions of this Agreement, including this Section 9 providing for the Right of First Refusal with respect to any subsequent transfer. Any sale or transfer of any Shares shall be void unless the provisions of this Section are met.

9.7 **Transfers Not Subject to Right of First Refusal.** The Right of First Refusal shall not apply to any transfer or exchange of the Shares if such transfer or exchange is in connection with an Ownership Change Event. If the consideration received pursuant to such transfer or exchange consists of stock of a Participating Company, such consideration shall remain subject to the Right of First Refusal unless the provisions of Section 9.9 result in a termination of the Right of First Refusal.

9.8 **Assignment of Right of First Refusal.** The Company shall have the right to assign the Right of First Refusal at any time, whether or not there has been an attempted transfer, to one or more persons as may be selected by the Company.

9.9 **Early Termination of Right of First Refusal.** The other provisions of this Agreement notwithstanding, the Right of First Refusal shall terminate and be of no further force and effect upon the existence of a public market for the class of shares subject to the Right of First Refusal. A ***"public market"*** shall be deemed to exist if (i) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (ii) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

10. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE**.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A of the Code to the extent applicable, in the event of any change in

the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy, which shall be treated in accordance with Section 3.3) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

11. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT**.

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 3.3 and Section 10. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service at any time.

12. **LEGENDS.**

The Company may at any time place legends referencing the Right of First Refusal and any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES

ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND REPURCHASE OPTIONS IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION.

13. **COMPLIANCE WITH SECTION 409A.**

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Award that may result in Section 409A Deferred Compensation shall comply in all respects with the applicable requirements of Section 409A (including applicable regulations or other administrative guidance thereunder, as determined by the Board in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Section 409A, the following shall apply:

13.1 **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant's termination of Service which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the *"**Section 409A Regulations**"*) shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, to the extent that the Participant is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the *"**Delayed Payment Date**"*) which is first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

13.2 **Other Changes in Time of Payment.** Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits under this Agreement in any manner which would not be in compliance with the Section 409A Regulations.

13.3 **Amendments to Comply with Section 409A; Indemnification.** Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to comply with the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, its directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with the Award, including as a result of the application of Section 409A.

13.4 **Advice of Independent Tax Advisor.** The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of Section 409A to the Award, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the application of Section 409A to the Award. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

14. **LOCK-UP AGREEMENT.**

The Participant hereby agrees that in the event of any underwritten public offering of stock, including an initial public offering of stock, made by the Company pursuant to an effective registration statement filed under the Securities Act, the Participant shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such public offering; provided, further, however, that such one hundred eighty (180) day period may be extended for an additional period, not to exceed twenty (20) days, upon the request of the Company or the underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The foregoing limitation shall not apply to shares registered in the public offering under the Securities Act. The Participant hereby agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within a reasonable timeframe if so requested by the Company.

15. **RESTRICTIONS ON TRANSFER OF SHARES.**

At any time prior to the existence of a public market for the Stock, the Board may prohibit the Participant and any transferee of such Participant from selling, transferring, assigning, pledging, or otherwise disposing of or encumbering any shares acquired pursuant to the Award (each, a "***Transfer***") without the prior written consent of the Board. The Board may withhold consent for any reason, including without limitation any Transfer (i) to any individual or entity identified by the Company as a potential competitor or considered by the Company to be unfriendly, or (ii) if such Transfer increases the risk of the Company having a class of security held of record by such number of persons as would require the Company to register any class of securities under the Exchange Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the Company in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, Internet site, or similar method of communication, including without limitation any trading portal or Internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer would be of less than all of the shares of Stock then held by the stockholder and its affiliates or is to be made to more than a single transferee. No shares acquired pursuant to this Award may be sold, exchanged, transferred (including, without limitation, any transfer to a nominee or agent of the Participant), assigned, pledged, hypothecated or otherwise disposed of, including by operation of law in any manner which violates any of the provisions of this Agreement, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any shares which will have been transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares will have been so transferred.

16. **MISCELLANEOUS PROVISIONS.**

16.1 **Termination or Amendment.** The Board may terminate or amend the Plan or this Agreement at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

16.2 **Nontransferability of the Award.** Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution and, for so long as the Company is relying on an order of the Securities and Exchange Commission (the *"**SEC**"*) under Section 12(h) of the Exchange Act or a no-action position of the Staff of the SEC relieving the Company from registration under Section 12(g) of the Exchange Act of the Units and the shares of Stock subject thereto, the restrictions on transfer provided by Rule 12h-1(f) under the Exchange Act that would apply were the Units subject to such rule (including the requirement

under such rule that any permitted transferee may not further transfer the Units). No Units subject to this Award, or the shares of Stock underlying such Units, shall, prior to the settlement of the Units, be subject to any short position, "put equivalent position" or "call equivalent position" by the Participant, as such terms are defined in Rule 16a-1 under the Exchange Act, until the Company becomes subject to Section 13 or Section 15(d) of the Exchange Act or is no longer relying on such SEC order or SEC Staff no action position. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

16.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

16.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

16.5 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery.*** The Participant acknowledges that the Participant has read Section 16.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 16.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that

the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 16.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 16.5(a).

16.6 **Integrated Agreement.** The Grant Notice, this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

16.7 **Applicable Law.** This Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California.

16.8 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

PACIFIC DATAVISION

2014 STOCK PLAN

PACIFIC DATAVISION
2014 Stock Plan

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

1.1 **Establishment.** The Pacific Datavision 2014 Stock Plan (the *"Plan"*) was approved by the Board on May 12, 2014, and shall be subject to approval by the shareholders of the Company at which time it shall become effective (the *"Effective Date"*).

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Participating Company Group and its shareholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Purchase Rights, Restricted Stock Bonuses, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, Other Stock-Based Awards, and Deferred Compensation Awards.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Committee; provided, however, that all Awards shall be granted, if at all, on or before ten (10) years from the earlier of the Plan's adoption by the Board and its approval by the shareholders of the Company.

2. **DEFINITIONS AND CONSTRUCTION.**

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) *"Affiliate"* means (i) a parent entity, other than a Parent Corporation, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) a subsidiary entity, other than a Subsidiary Corporation, that is controlled by the Company directly or indirectly through one or more intermediary entities. For this purpose, the terms "parent," "subsidiary," "control" and "controlled by" shall have the meanings assigned such terms for the purposes of registration of securities on Form S-8 under the Securities Act.

(b) *"Award"* means any Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share, Performance Unit, Cash-Based Award, Other Stock-Based Award or Deferred Compensation Award granted under the Plan.

(c) *"Award Agreement"* means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions applicable to an Award.

(d) *"Board"* means the Board of Directors of the Company.

(e) *"**Cash-Based Award**"* means an Award denominated in cash and granted pursuant to Section 11.

(f) "***Cashless Exercise***" means a Cashless Exercise as defined in Section 6.3(b)(i).

(g) *"**Cause**"* means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Participant and a Participating Company applicable to an Award, any of the following: (i) the Participant's theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (v) the Participant's repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or *nolo contendere*) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(h) *"**Change in Control**"* means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between the Participant and a Participating Company applicable to an Award, the occurrence of any one or a combination of the following:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any acquisition by an entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a *"**Transaction**"*) in which the shareholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(ff)(iii), the entity to which the assets of the Company were transferred (the *"**Transferee**"*), as the case may be; or

(iii) approval by the shareholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(h) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple acquisitions of the voting securities of the Company and/or multiple Ownership Change Events are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(i) *"**Code**"* means the Internal Revenue Code of 1986, as amended, and any applicable regulations or administrative guidelines promulgated thereunder.

(j) *"**Committee**"* means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(k) *"**Company**"* means Pacific Datavision, a California corporation, or any successor corporation thereto.

(l) *"**Consultant**"* means a person engaged to provide consulting or advisory services (other than as an Employee or a member of the Board) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on Form S-8 under the Securities Act.

(m) "***Covered Employee***" means, at any time the Plan is subject to Section 162(m), any Employee who is or may reasonably be expected to become a "covered employee" as defined in Section 162(m), or any successor statute, and who is designated, either

as an individual Employee or a member of a class of Employees, by the Committee no later than the earlier of (i) the date that is ninety (90) days after the beginning of the Performance Period, or (ii) the date on which twenty-five percent (25%) of the Performance Period has elapsed, as a "Covered Employee" under this Plan for such applicable Performance Period.

(n) *"**Deferred Compensation Award**"* means an Award granted to a Participant pursuant to Section 12.

(o) *"**Director**"* means a member of the Board.

(p) *"**Disability**"* means the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

(q) *"**Dividend Equivalent Right**"* means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

(r) *"**Employee**"* means any person treated as an employee (including an Officer or a member of the Board who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a member of the Board nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion, whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(s) *"**ERISA**"* means the Employee Retirement Income Security Act of 1974 and any applicable regulations or administrative guidelines promulgated thereunder.

(t) *"**Exchange Act**"* means the Securities Exchange Act of 1934, as amended.

(u) *"**Fair Market Value**"* means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) Except as otherwise determined by the Committee, if, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the

Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as shall be determined by the Committee, in its discretion.

(ii) Notwithstanding the foregoing, the Committee may, in its discretion, determine the Fair Market Value of a share of Stock on the basis of the opening, closing, or average of the high and low sale prices of a share of Stock on such date or the preceding trading day, the actual sale price of a share of Stock received by a Participant, any other reasonable basis using actual transactions in the Stock as reported on a national or regional securities exchange or quotation system, or on any other basis consistent with the requirements of Section 409A. The Committee may vary its method of determination of the Fair Market Value as provided in this Section for different purposes under the Plan to the extent consistent with the requirements of Section 409A.

(iii) If, on such date, the Stock is not listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(v) *"**Incentive Stock Option**"* means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(w) *"**Incumbent Director**"* means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(x) *"**Insider**"* means an Officer, Director or any other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(y) "***Net Exercise***" means a Net Exercise as defined in Section 6.3(b)(iii).

(z) *"**Nonemployee Director**"* means a Director who is not an Employee.

(aa) *"**Nonemployee Director Award**"* means any Award granted to a Nonemployee Director.

(bb) *"**Nonstatutory Stock Option**"* means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an incentive stock option within the meaning of Section 422(b) of the Code.

(cc) *"**Officer**"* means any person designated by the Board as an officer of the Company.

(dd) *"**Option**"* means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(ee) *"**Other Stock-Based Award**"* means an Award denominated in shares of Stock and granted pursuant to Section 11.

(ff) *"**Ownership Change Event**"* means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the shareholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(gg) *"**Parent Corporation**"* means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(hh) *"**Participant**"* means any eligible person who has been granted one or more Awards.

(ii) *"**Participating Company**"* means the Company or any Parent Corporation, Subsidiary Corporation or Affiliate.

(jj) *"**Participating Company Group**"* means, at any point in time, the Company and all other entities collectively which are then Participating Companies.

(kk) *"**Performance Award**"* means an Award of Performance Shares or Performance Units.

(ll) *"**Performance Award Formula**"* means, for any Performance Award, a formula or table established by the Committee pursuant to Section 10.3 which provides the basis for computing the value of a Performance Award at one or more levels of attainment of the applicable Performance Goal(s) measured as of the end of the applicable Performance Period.

(mm) "***Performance-Based Compensation***" means compensation under an Award that satisfies the requirements of Section 162(m) for certain performance-based compensation paid to Covered Employees.

(nn) *"**Performance Goal**"* means a performance goal established by the Committee pursuant to Section 10.3.

(oo) *"**Performance Period**"* means a period established by the Committee pursuant to Section 10.3 at the end of which one or more Performance Goals are to be measured.

(pp) *"**Performance Share**"* means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(qq) *"**Performance Unit**"* means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(rr) *"**Restricted Stock Award**"* means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(ss) *"**Restricted Stock Bonus**"* means Stock granted to a Participant pursuant to Section 8.

(tt) *"**Restricted Stock Purchase Right**"* means a right to purchase Stock granted to a Participant pursuant to Section 8.

(uu) *"**Restricted Stock Unit**"* means a right granted to a Participant pursuant to Section 9 to receive on a future date or event a share of Stock or cash in lieu thereof, as determined by the Committee.

(vv) *"**Rule 16b-3**"* means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(ww) *"**SAR**"* or *"**Stock Appreciation Right**"* means a right granted to a Participant pursuant to Section 7 to receive payment, for each share of Stock subject to such Award, of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the Award over the exercise price thereof.

(xx) *"**Section 162(m)**"* means Section 162(m) of the Code.

(yy) *"**Section 409A**"* means Section 409A of the Code.

(zz) *"**Section 409A Deferred Compensation**"* means compensation provided pursuant to an Award that constitutes nonqualified deferred compensation within the meaning of Section 409A.

(aaa) *"**Securities Act**"* means the Securities Act of 1933, as amended.

(bbb) *"**Service**"* means a Participant's employment or service with the Participating Company Group, whether as an Employee, a Director or a Consultant. Unless otherwise provided by the Committee, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have been interrupted or terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Committee, if any such leave taken by a

Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant's Service shall be deemed to have terminated, unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(ccc) *"**Stock**"* means the common stock of the Company, as adjusted from time to time in accordance with Section 4.4.

(ddd) *"**Stock Tender Exercise**"* means a Stock Tender Exercise as defined in Section 6.3(b)(ii).

(eee) *"**Subsidiary Corporation**"* means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(fff) *"**Ten Percent Owner**"* means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company (other than an Affiliate) within the meaning of Section 422(b)(6) of the Code.

(ggg) *"**Trading Compliance Policy**"* means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(hhh) *"**Vesting Conditions**"* mean those conditions established in accordance with the Plan prior to the satisfaction of which an Award or shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION.**

3.1 **Administration by the Committee.** The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall

be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in the administration of the Plan shall be paid by the Company.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Administration with Respect to Insiders.** With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.4 **Committee Complying with Section 162(m).** If the Company is a "publicly held corporation" within the meaning of Section 162(m), the Board may establish a Committee of "outside directors" within the meaning of Section 162(m) to approve the grant of any Award intended to result in the payment of Performance-Based Compensation.

3.5 **Powers of the Committee.** In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, units or monetary value to be subject to each Award;

(b) to determine the type of Award granted;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Measures, Performance Period, Performance Award Formula and Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of the expiration of any Award, (vii) the effect of the Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to determine whether an Award will be settled in shares of Stock, cash, other property or in any combination thereof;

(f) to approve one or more forms of Award Agreement;

(g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws or regulations of or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose citizens may be granted Awards; and

(j) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.6 **Option or SAR Repricing**. Without the affirmative vote of holders of a majority of the shares of Stock cast in person or by proxy at a meeting of the shareholders of the Company at which a quorum representing a majority of all outstanding shares of Stock is present or represented by proxy, the Committee shall not approve a program providing for either (a) the cancellation of outstanding Options or SARs having exercise prices per share greater than the then Fair Market Value of a share of Stock (*"Underwater Awards"*) and the grant in substitution therefore of new Options or SARs having a lower exercise price, Full Value Awards, or payments in cash, or (b) the amendment of outstanding Underwater Awards to reduce the exercise price thereof. This Section shall not apply to adjustments pursuant to the assumption of or substitution for an Option or SAR in a manner that would comply with Section 424(a) or Section 409A of the Code or to an adjustment pursuant to Section 4.4.

3.7 **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement

is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. **SHARES SUBJECT TO PLAN.**

4.1 **Maximum Number of Shares Issuable.** Subject to adjustment as provided in Sections 4.2 and 4.3, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to Awards shall be equal to 1,200,000 and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

4.2 **Annual Increase in Maximum Number of Shares Issuable**. Subject to adjustment as provided in Section 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased on January 1, 2015 and on each subsequent January 1 through and including January 1, 2024, by a number of shares (the "***Annual Increase***") equal to the smaller of (a) five percent (5%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the Board.

4.3 **Share Counting.** If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash**.** Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations applicable to SARs and Options pursuant to Section 17.2 shall not again be available for issuance under the Plan. Upon payment in shares of Stock pursuant to the exercise of an SAR, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the SAR is exercised. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, or by means of a Net-Exercise, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the Option is exercised.

4.4 **Adjustments for Changes in Capital Structure.** Subject to any required action by the shareholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the shareholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and

proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, the Award limits set forth in Section 5.3, and in the exercise or purchase price per share under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the *"**New Shares**"*), the Committee may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and in no event may the exercise or purchase price under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The Committee in its discretion, may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of Performance Goals, Performance Award Formulas and Performance Periods. The adjustments determined by the Committee pursuant to this Section shall be final, binding and conclusive.

4.5 **Assumption or Substitution of Awards.** The Committee may, without affecting the number of shares of Stock reserved or available hereunder, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A and any other applicable provisions of the Code.

5. ELIGIBILITY, PARTICIPATION AND AWARD LIMITATIONS.

5.1 **Persons Eligible for Awards.** Awards may be granted only to Employees, Consultants and Directors.

5.2 **Participation in the Plan.** Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 **Award Limitations.**

(a) ***Incentive Stock Option Limitations.***

(i) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.** Subject to adjustment as provided in Sections 4.2 and 4.3, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed 1,200,000.

(ii) **Persons Eligible.** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Parent Corporation or a Subsidiary Corporation (each being an *"**ISO-Qualifying Corporation**"*). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(iii) **Fair Market Value Limitation.** To the extent that options designated as Incentive Stock Options (granted under all stock option plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares issued pursuant to each such portion shall be separately identified.

(b) ***Section 162(m) Award Limits*.** Subject to adjustment as provided in Section 4.4, no Employee shall be granted within any fiscal year of the Company one or more Awards intended to qualify for treatment as Performance-Based Compensation which in the aggregate are for more than 500,000 shares or, if applicable, which could result in such Employee receiving more than 500,000 for each full fiscal year of the Company contained in the Performance Period for such Award. Notwithstanding the foregoing, with respect to a newly hired Participant, the share limit set forth above shall be 750,000. With respect to an Award of Performance Based Compensation payable in cash, the maximum amount shall be $5,000,000 for each fiscal year contained in the Performance Period.

6. **STOCK OPTIONS.**

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. Award Agreements evidencing Options may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner that would qualify under the provisions of Section 409A or 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option and (c) no Option granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such Option (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price.**

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent; (ii) if permitted by the Committee and subject to the limitations contained in Section 6.3(b), by means of (1) a Cashless Exercise, (2) a Stock Tender Exercise or (3) a Net Exercise; (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (iv) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration.***

(i) **Cashless Exercise.** A *"**Cashless Exercise**"* means the delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with

respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(ii) **Stock Tender Exercise.** A *"**Stock Tender Exercise**"* means the delivery of a properly executed exercise notice accompanies by a Participant's tender to the Company, or attestation to the ownership, in a form acceptable to the Company of whole shares of Stock owned by the Participant having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised. A Stock Tender Exercise shall not be permitted if it would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. If required by the Company, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for a period of time required by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(iii) **Net Exercise.** A *"**Net Exercise**"* means the delivery of a properly executed exercise notice followed by a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to a Participant upon the exercise of an Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued.

6.4 **Effect of Termination of Service.**

(a) ***Option Exercisability.*** Subject to earlier termination of the Option as otherwise provided by this Plan and unless otherwise provided by the Committee, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate. Except as otherwise provided in the Award Agreement, or other agreement governing the Option, vested Options shall remain exercisable following a termination of Service as follows:

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the *"**Option Expiration Date**"*).

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of ninety (90) days after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented by Law.*** Notwithstanding the foregoing, other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 15 below, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer be prevented by such provisions or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 **Transferability of Options.** During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, a Nonstatutory Stock Option may be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act. An Incentive Stock Option shall not be assignable or transferable in any manner.

7. **STOCK APPRECIATION RIGHTS.**

Stock Appreciation Rights shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing SARs may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Types of SARs Authorized.** SARs may be granted in tandem with all or any portion of a related Option (a *"**Tandem SAR**"*) or may be granted independently of any Option (a *"**Freestanding SAR**"*). A Tandem SAR may only be granted concurrently with the grant of the related Option.

7.2 **Exercise Price.** The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share subject to a Tandem SAR shall be the exercise price per share under the related Option and (b) the exercise price per share subject to a Freestanding SAR shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the SAR. Notwithstanding the foregoing, a SAR may be granted with an exercise price lower than the minimum exercise price set forth above if such SAR is granted pursuant to an assumption or substitution for another stock appreciation right in a manner that would qualify under the provisions of Section 409A of the Code.

7.3 **Exercisability and Term of SARs.**

(a) ***Tandem SARs.*** Tandem SARs shall be exercisable only at the time and to the extent, and only to the extent, that the related Option is exercisable, subject to such provisions as the Committee may specify where the Tandem SAR is granted with respect to less than the full number of shares of Stock subject to the related Option. The Committee may, in its discretion, provide in any Award Agreement evidencing a Tandem SAR that such SAR may not be exercised without the advance approval of the Company and, if such approval is not given, then the Option shall nevertheless remain exercisable in accordance with its terms. A Tandem SAR shall terminate and cease to be exercisable no later than the date on which the related Option expires or is terminated or canceled. Upon the exercise of a Tandem SAR with respect to some or all of the shares subject to such SAR, the related Option shall be canceled automatically as to the number of shares with respect to which the Tandem SAR was exercised. Upon the exercise of an Option related to a Tandem SAR as to some or all of the shares subject to such Option, the related Tandem SAR shall be canceled automatically as to the number of shares with respect to which the related Option was exercised.

(b) ***Freestanding SARs.*** Freestanding SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that (i) no Freestanding SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR, and (ii) no Freestanding SAR granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such SAR (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of a Freestanding SAR, each Freestanding SAR shall terminate ten (10) years after the effective date of grant of the SAR, unless earlier terminated in accordance with its provisions.

7.4 **Exercise of SARs.** Upon the exercise (or deemed exercise pursuant to Section 7.5) of an SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price. Payment of such amount shall be made (a) in the case of a Tandem SAR, solely in shares of Stock in a lump sum upon the date of exercise of the SAR and (b) in the case of a Freestanding SAR, in cash, shares of Stock, or any combination thereof as determined by the Committee, in a lump sum upon the date of exercise of the SAR. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, an SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant or as otherwise provided in Section 7.5.

7.5 **Deemed Exercise of SARs.** If, on the date on which an SAR would otherwise terminate or expire, the SAR by its terms remains exercisable immediately prior to such termination or expiration and, if so exercised, would result in a payment to the holder of such SAR, then any portion of such SAR which has not previously been exercised shall automatically be deemed to be exercised as of such date with respect to such portion pursuant to a Net Exercise procedure and withholding of Shares as described in Section 17.2.

7.6 **Effect of Termination of Service.** Subject to earlier termination of the SAR as otherwise provided herein and unless otherwise provided by the Committee, an SAR shall be exercisable after a Participant's termination of Service only to the extent and during the applicable time period determined in accordance with Section 6.4 (treating the SAR as if it were an Option) and thereafter shall terminate.

7.7 **Transferability of SARs.** During the lifetime of the Participant, an SAR shall be exercisable only by the Participant or the Participant's guardian or legal representative. An SAR shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Award, a Tandem SAR related to a Nonstatutory Stock Option or a Freestanding SAR may be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act.

8. **RESTRICTED STOCK AWARDS.**

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 **Types of Restricted Stock Awards Authorized.** Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of or satisfaction of Vesting Conditions applicable to a Restricted Stock Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

8.2 **Purchase Price.** The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Committee in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

8.3 **Purchase Period.** A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

8.4 **Payment of Purchase Price.** Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

8.5 **Vesting and Restrictions on Transfer.** Shares issued pursuant to any Restricted Stock Award may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 8.8. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Trading Compliance Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions

prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

8.6 **Voting Rights; Dividends and Distributions.** Except as provided in this Section, Section 8.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a shareholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, unless otherwise determined by the Committee and provided by the Award Agreement, such dividends and distributions shall be subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid, and otherwise shall be paid no later than the end of the calendar year in which such dividends or distributions are paid to shareholders (or, if later, the 15th day of the third month following the date such dividends or distributions are paid to shareholders). In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

8.7 **Effect of Termination of Service.** Unless otherwise provided by the Committee in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

8.8 **Nontransferability of Restricted Stock Award Rights.** Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. **RESTRICTED STOCK UNIT AWARDS.** Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing Restricted Stock Units may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

9.1 **Grant of Restricted Stock Unit Awards.** Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of a Restricted Stock Unit Award or the Vesting Conditions with respect to such Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

9.2 **Purchase Price.** No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award.

9.3 **Vesting.** Restricted Stock Unit Awards may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to the Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then the satisfaction of the Vesting Conditions automatically shall be determined on the first to occur of (a) the next trading day on which the sale of such shares would not violate the Trading Compliance Policy or (b) the later of (i) last day of the calendar year in which the original vesting date occurred or (ii) the last day of the Company's taxable year in which the original vesting date occurred.

9.4 **Voting Rights, Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be paid by crediting the Participant with a cash amount with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock as determined by the Committee. The number of additional Restricted Stock Units (rounded to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on such date with respect to the number of shares of Stock represented by the

Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such additional Restricted Stock Units shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

9.5 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

9.6 **Settlement of Restricted Stock Unit Awards.** The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Committee, in its discretion, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 9.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Committee, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section.

9.7 **Nontransferability of Restricted Stock Unit Awards.** The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

10. **PERFORMANCE AWARDS.** Performance Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Performance Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

10.1 **Types of Performance Awards Authorized.** Performance Awards may be granted in the form of either Performance Shares or Performance Units. Each Award Agreement evidencing a Performance Award shall specify the number of Performance Shares or Performance Units subject thereto, the Performance Award Formula, the Performance Goal(s) and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award.

10.2 **Initial Value of Performance Shares and Performance Units.** Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial monetary value equal to the Fair Market Value of one (1) share of Stock, subject to adjustment as provided in Section 4.4, on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial monetary value established by the Committee at the time of grant. The final value payable to the Participant in settlement of a Performance Award determined on the basis of the applicable Performance Award Formula will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

10.3 **Establishment of Performance Period, Performance Goals and Performance Award Formula.** In granting each Performance Award, the Committee shall establish in writing the applicable Performance Period, Performance Award Formula and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine on the basis of the Performance Award Formula the final value of the Performance Award to be paid to the Participant. Unless otherwise permitted in compliance with the requirements under Section 162(m) with respect to each Performance Award intended to result in the payment of Performance-Based Compensation, the Committee shall establish the Performance Goal(s) and Performance Award Formula applicable to each Performance Award no later than the earlier of (a) the date ninety (90) days after the commencement of the applicable Performance Period or (b) the date on which 25% of the Performance Period has elapsed, and, in any event, at a time when the outcome of the Performance Goals remains substantially uncertain. Once established, the Performance Goals and Performance Award Formula applicable to a Covered Employee shall not be changed during the Performance Period. The Company shall notify each Participant granted a Performance Award of the terms of such Award, including the Performance Period, Performance Goal(s) and Performance Award Formula.

10.4 **Measurement of Performance Goals.** Performance Goals shall be established by the Committee on the basis of targets to be attained (*"**Performance Targets**"*) with respect to one or more measures of business or financial performance (each, a *"**Performance Measure**"*), subject to the following:

(a) ***Performance Measures.*** Performance Measures shall be calculated in accordance with the Company's financial statements, or, if such terms are not used in the Company's financial statements, they shall be calculated in accordance with generally accepted accounting principles, a method used generally in the Company's industry, or in accordance with a methodology established by the Committee prior to the grant of the

Performance Award. Performance Measures shall be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes or such division or other business unit as may be selected by the Committee. Unless otherwise determined by the Committee prior to the grant of the Performance Award, the Performance Measures applicable to the Performance Award shall be calculated prior to the accrual of expense for any Performance Award for the same Performance Period and excluding the effect (whether positive or negative) on the Performance Measures of any change in accounting standards or any extraordinary, unusual or nonrecurring item, as determined by the Committee, occurring after the establishment of the Performance Goals applicable to the Performance Award. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of Performance Measures in order to prevent the dilution or enlargement of the Participant's rights with respect to a Performance Award. Performance Measures may be one or more of the following, as determined by the Committee:

(i) revenue;

(ii) sales;

(iii) expenses;

(iv) operating income;

(v) gross margin;

(vi) operating margin;

(vii) earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization;

(viii) pre-tax profit;

(ix) net operating income;

(x) net income;

(xi) economic value added;

(xii) free cash flow;

(xiii) operating cash flow;

(xiv) balance of cash, cash equivalents and marketable securities;

(xv) stock price;

(xvi) earnings per share;

(xvii) return on shareholder equity;

(xviii) return on capital;

(xix) return on assets;

(xx) return on investment;

(xxi) total shareholder return;

(xxii) employee satisfaction;

(xxiii) employee retention;

(xxiv) market share;

(xxv) customer satisfaction;

(xxvi) product development;

(xxvii) research and development expenses;

(xxviii) completion of an identified special project; and

(xxix) completion of a joint venture or other corporate transaction.

(b) ***Performance Targets.*** Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined under the applicable Performance Award Formula by the level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value, an increase or decrease in a value, or as a value determined relative to an index, budget or other standard selected by the Committee.

10.5 **Settlement of Performance Awards.**

(a) ***Determination of Final Value.*** As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall certify in writing the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the applicable Performance Award Formula.

(b) ***Discretionary Adjustment of Award Formula.*** In its discretion, the Committee may, either at the time it grants a Performance Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Award Formula applicable to a Performance Award granted to any Participant who is not a Covered Employee to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine. If permitted under a Covered Employee's Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce some or all of the value of the Performance Award that

would otherwise be paid to the Covered Employee upon its settlement notwithstanding the attainment of any Performance Goal and the resulting value of the Performance Award determined in accordance with the Performance Award Formula. No such reduction may result in an increase in the amount payable upon settlement of another Participant's Performance Award that is intended to result in Performance-Based Compensation.

(c) ***Effect of Leaves of Absence.*** Unless otherwise required by law or a Participant's Award Agreement, payment of the final value, if any, of a Performance Award held by a Participant who has taken in excess of thirty (30) days in unpaid leaves of absence during a Performance Period shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence.

(d) ***Notice to Participants.*** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), the Company shall notify each Participant of the determination of the Committee.

(e) ***Payment in Settlement of Performance Awards.*** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), but in any event within the Short-Term Deferral Period described in Section 16.1 (except as otherwise provided below or consistent with the requirements of Section 409A), payment shall be made to each eligible Participant (or such Participant's legal representative or other person who acquired the right to receive such payment by reason of the Participant's death) of the final value of the Participant's Performance Award. Payment of such amount shall be made in cash, shares of Stock, or a combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing a Performance Award, payment shall be made in a lump sum. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the payment to be made to the Participant pursuant to this Section, and such deferred payment date(s) elected by the Participant shall be set forth in the Award Agreement. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalent Rights or interest.

(f) ***Provisions Applicable to Payment in Shares.*** If payment is to be made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the Fair Market Value of a share of Stock determined by the method specified in the Award Agreement. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.5. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Award Agreement and shall be subject to the provisions of Sections 8.5 through 8.8 above.

10.6 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Performance Share Awards until the date of the issuance of such shares, if any (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement

evidencing any Performance Share Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date the Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date on which the Performance Shares are settled or the date on which they are forfeited. Such Dividend Equivalent Rights, if any, shall be credited to the Participant either in cash or in the form of additional whole Performance Shares as of the date of payment of such cash dividends on Stock. The number of additional Performance Shares (rounded down to the nearest whole number); if any, as determined by the Committee to be so credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Performance Shares previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Dividend Equivalent Rights shall be accumulated and paid to the extent that Performance Shares become nonforfeitable, as determined by the Committee. Settlement of Dividend Equivalent Rights may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 10.5. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Performance Share Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Performance Share Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Performance Goals as are applicable to the Award.

10.7 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Performance Award or in the Participant's employment agreement, if any, referencing such Awards, the effect of a Participant's termination of Service on the Performance Award shall be as follows:

(a) ***Death or Disability.*** If the Participant's Service terminates because of the death or Disability of the Participant before the completion of the Performance Period applicable to the Performance Award, the final value of the Participant's Performance Award shall be determined by the extent to which the applicable Performance Goals have been attained with respect to the entire Performance Period and shall be prorated based on the number of months of the Participant's Service during the Performance Period. Payment shall be made following the end of the Performance Period in any manner permitted by Section 10.5.

(b) ***Other Termination of Service.*** If the Participant's Service terminates for any reason except death or Disability before the completion of the Performance Period applicable to the Performance Award, such Award shall be forfeited in its entirety.

10.8 **Nontransferability of Performance Awards.** Prior to settlement in accordance with the provisions of the Plan, no Performance Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Performance Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

11. **CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS.** Cash-Based Awards and Other Stock-Based Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Cash-Based Awards and Other Stock-Based Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

11.1 **Grant of Cash-Based Awards**. Subject to the provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms and conditions, including the achievement of performance criteria, as the Committee may determine.

11.2 **Grant of Other Stock-Based Awards**. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted securities, stock-equivalent units, stock appreciation units, securities or debentures convertible into common stock or other forms determined by the Committee) in such amounts and subject to such terms and conditions as the Committee shall determine. Other Stock-Based Awards may be made available as a form of payment in the settlement of other Awards or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may involve the transfer of actual shares of Stock to Participants, or payment in cash or otherwise of amounts based on the value of Stock and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

11.3 **Value of Cash-Based and Other Stock-Based Awards**. Each Cash-Based Award shall specify a monetary payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of shares of Stock or units based on such shares of Stock, as determined by the Committee. The Committee may require the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. If the Committee exercises its discretion to establish performance criteria, the final value of Cash-Based Awards or Other Stock-Based Awards that will be paid to the Participant will depend on the extent to which the performance criteria are met. The establishment of performance criteria with respect to the grant or vesting of any Cash-Based Award or Other Stock-Based Award intended to result in Performance-Based Compensation shall follow procedures substantially equivalent to those applicable to Performance Awards set forth in Section 10.

11.4 **Payment or Settlement of Cash-Based Awards and Other Stock-Based Awards**. Payment or settlement, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash, shares of Stock or other securities or any combination thereof as the Committee determines. The determination and certification of the final value with respect to any Cash-Based Award or Other Stock-Based Award intended to result in Performance-Based Compensation shall comply with the

requirements applicable to Performance Awards set forth in Section 10. To the extent applicable, payment or settlement with respect to each Cash-Based Award and Other Stock-Based Award shall be made in compliance with the requirements of Section 409A.

11.5 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Other Stock-Based Awards until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), if any, in settlement of such Award. However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Other Stock-Based Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be paid in accordance with the provisions set forth in Section 9.4. Dividend Equivalent Rights shall not be granted with respect to Cash-Based Awards. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Other Stock-Based Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of such Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions and performance criteria, if any, as are applicable to the Award.

11.6 **Effect of Termination of Service**. Each Award Agreement evidencing a Cash-Based Award or Other Stock-Based Award shall set forth the extent to which the Participant shall have the right to retain such Award following termination of the Participant's Service. Such provisions shall be determined in the discretion of the Committee, need not be uniform among all Cash-Based Awards or Other Stock-Based Awards, and may reflect distinctions based on the reasons for termination, subject to the requirements of Section 409A, if applicable.

11.7 **Nontransferability of Cash-Based Awards and Other Stock-Based Awards.** Prior to the payment or settlement of a Cash-Based Award or Other Stock-Based Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. The Committee may impose such additional restrictions on any shares of Stock issued in settlement of Cash-Based Awards and Other Stock-Based Awards as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such shares of Stock are then listed and/or traded, or under any state securities laws or foreign law applicable to such shares of Stock.

12. **DEFERRED COMPENSATION AWARDS.**

12.1 **Establishment of Deferred Compensation Award Programs**. This Section 12 shall not be effective unless and until the Committee determines to establish a program pursuant to this Section. If the Committee determines that any such program may constitute an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA, the Committee shall adopt and implement such program through a separate subplan to this Plan. Eligibility to participate in such subplan shall be limited to Directors and a select group of management or highly compensated employees, and the Committee shall take all additional actions required to qualify such subplan as a "top-hat" unfunded deferred compensation plan, including filing with the U.S. Department of Labor within 120 days following the adoption of such subplan a notice pursuant to Department of Labor Regulations Section 2520.104-23.

12.2 **Terms and Conditions of Deferred Compensation Awards**. Deferred Compensation Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Deferred Compensation Awards may incorporate all or any of the terms of the Plan by reference and, except as provided below, shall comply with and be subject to the terms and conditions applicable to the appropriate form of Award as set forth in the applicable section of this Plan.

(a) ***Limitation on Elections.*** Notwithstanding any Participant's prior election to reduce cash compensation pursuant to a program established in accordance with this Section 12, no Deferred Compensation Award may be granted to the Participant after termination of the Plan or termination of the Participant's Service, and any such cash compensation shall be paid at the normal time and in accordance with the terms of the applicable cash compensation arrangement.

(b) ***Election Irrevocable.*** A Participant's election to reduce cash compensation pursuant to a program established in accordance with this Section 12 shall become irrevocable on the last day of the calendar year prior to the year in which the services are to be rendered with respect to which such cash compensation would otherwise become payable, or at the time otherwise required by Section 409A.

(c) ***Vesting.*** Deferred Compensation Awards may be fully vested at grant or may be subject to such Vesting Conditions as the Committee determines.

13. **STANDARD FORMS OF AWARD AGREEMENT.**

13.1 **Award Agreements.** Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement, which execution may be evidenced by electronic means.

13.2 **Authority to Vary Terms.** The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

14. **CHANGE IN CONTROL.**

14.1 **Effect of Change in Control on Awards.** Subject to the requirements and limitations of Section 409A, if applicable, the Committee may provide for any one or more of the following:

(a) ***Accelerated Vesting.*** In its discretion, the Committee may provide in the grant of any Award or at any other time may take such action as it deems appropriate to provide for acceleration of the exercisability, vesting and/or settlement in connection with a Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following such Change in Control, and to such extent as the Committee shall determine.

(b) ***Assumption, Continuation or Substitution.*** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *"**Acquiror**"*), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Any Award or portion thereof which is neither assumed, substituted for, or otherwise continued by the Acquiror in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

(c) ***Cash-Out of Outstanding Stock-Based Awards.*** The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award denominated in shares of Stock or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Committee) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the

Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Committee, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control may be canceled without payment of consideration to the holder thereof. Payment pursuant to this Section (reduced by applicable withholding taxes, if any) shall be made to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

14.2 **Effect of Change in Control on Nonemployee Director Awards.** Subject to the requirements and limitations of Section 409A, if applicable, including as provided by Section 16.4(f), in the event of a Change in Control, each outstanding Nonemployee Director Award shall become immediately exercisable and vested in full and, except to the extent assumed, continued or substituted for pursuant to Section 14.1(b), shall be settled effective immediately prior to the time of consummation of the Change in Control.

14.3 **Federal Excise Tax Under Section 4999 of the Code.**

(a) ***Excess Parachute Payment.*** In the event that any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, the Participant may elect to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Independent Accountants.*** To aid the Participant in making any election called for under Section 14.3(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 14.3(a), the Company shall request a determination in writing by independent public accountants selected by the Company (the *"**Accountants**"*). As soon as practicable thereafter, the Accountants shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants charge in connection with their services contemplated by this Section.

15. **COMPLIANCE WITH SECURITIES LAW.**

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award, or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

16. **COMPLIANCE WITH SECTION 409A.**

16.1 **Awards Subject to Section 409A.** The Company intends that Awards granted pursuant to the Plan shall either be exempt from or comply with Section 409A, and the Plan shall be so construed. The provisions of this Section 16 shall apply to any Award or portion thereof that constitutes or provides for payment of Section 409A Deferred Compensation. Such Awards may include, without limitation:

(a) A Nonstatutory Stock Option or SAR that includes any feature for the deferral of compensation other than the deferral of recognition of income until the later of (i) the exercise or disposition of the Award or (ii) the time the stock acquired pursuant to the exercise of the Award first becomes substantially vested.

(b) Any Restricted Stock Unit Award, Performance Award, Cash-Based Award or Other Stock-Based Award that either (i) provides by its terms for settlement of all or any portion of the Award at a time or upon an event that will or may occur later than the end of the Short-Term Deferral Period (as defined below) or (ii) permits the Participant granted the Award to elect one or more dates or events upon which the Award will be settled after the end of the Short-Term Deferral Period.

Subject to the provisions of Section 409A, the term "***Short-Term Deferral Period***" means the 2 ½ month period ending on the later of (i) the 15th day of the third month following the end of the Participant's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Company's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture. For this purpose, the term "substantial risk of forfeiture" shall have the meaning provided by Section 409A.

16.2 **Deferral and/or Distribution Elections.** Except as otherwise permitted or required by Section 409A, the following rules shall apply to any compensation deferral and/or payment elections (each, an "***Election***") that may be permitted or required by the Committee pursuant to an Award providing Section 409A Deferred Compensation:

(a) Elections must be in writing and specify the amount of the payment in settlement of an Award being deferred, as well as the time and form of payment as permitted by this Plan.

(b) Elections shall be made by the end of the Participant's taxable year prior to the year in which services commence for which an Award may be granted to such Participant.

(c) Elections shall continue in effect until a written revocation or change in Election is received by the Company, except that a written revocation or change in Election must be received by the Company prior to the last day for making the Election determined in accordance with paragraph (b) above or as permitted by Section 16.3.

16.3 **Subsequent Elections.** Except as otherwise permitted or required by Section 409A, any Award providing Section 409A Deferred Compensation which permits a subsequent Election to delay the payment or change the form of payment in settlement of such Award shall comply with the following requirements:

(a) No subsequent Election may take effect until at least twelve (12) months after the date on which the subsequent Election is made.

(b) Each subsequent Election related to a payment in settlement of an Award not described in Section 16.4(a)(ii), 16.4(a)(iii) or 16.4(a)(vi) must result in a delay of the payment for a period of not less than five (5) years from the date on which such payment would otherwise have been made.

(c) No subsequent Election related to a payment pursuant to Section 16.4(a)(iv) shall be made less than twelve (12) months before the date on which such payment would otherwise have been made.

(d) Subsequent Elections shall continue in effect until a written revocation or change in the subsequent Election is received by the Company, except that a written revocation or change in a subsequent Election must be received by the Company prior to the last day for making the subsequent Election determined in accordance the preceding paragraphs of this Section 16.3.

16.4 **Payment of Section 409A Deferred Compensation.**

(a) ***Permissible Payments.*** Except as otherwise permitted or required by Section 409A, an Award providing Section 409A Deferred Compensation must provide for payment in settlement of the Award only upon one or more of the following:

(i) The Participant's "separation from service" (as defined by Section 409A);

(ii) The Participant's becoming "disabled" (as defined by Section 409A);

(iii) The Participant's death;

(iv) A time or fixed schedule that is either (i) specified by the Committee upon the grant of an Award and set forth in the Award Agreement evidencing such Award or (ii) specified by the Participant in an Election complying with the requirements of Section 16.2 or 16.3, as applicable;

(v) A change in the ownership or effective control or the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 409A; or

(vi) The occurrence of an "unforeseeable emergency" (as defined by Section 409A).

(b) ***Installment Payments***. It is the intent of this Plan that any right of a Participant to receive installment payments (within the meaning of Section 409A) shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

(c) ***Required Delay in Payment to Specified Employee Pursuant to Separation from Service.*** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, except as otherwise permitted by Section 409A, no payment pursuant to Section 16.4(a)(i) in settlement of an Award providing for Section 409A Deferred Compensation may be made to a Participant who is a "specified employee" (as defined by Section 409A) as of the date of the Participant's separation from service before the date (the *"**Delayed Payment Date**"*) that is six (6) months after the date of such Participant's separation from service, or, if earlier, the date of the Participant's death. All such amounts that would, but for this paragraph, become payable prior to the Delayed Payment Date shall be accumulated and paid on the Delayed Payment Date.

(d) ***Payment Upon Disability.*** All distributions of Section 409A Deferred Compensation payable by reason of a Participant becoming disabled shall be paid in a lump sum or in periodic installments as established by the Participant's Election. If the Participant has made no Election with respect to distributions of Section 409A Deferred Compensation upon becoming disabled, all such distributions shall be paid in a lump sum upon the determination that the Participant has become disabled.

(e) ***Payment Upon Death.*** If a Participant dies before complete distribution of amounts payable upon settlement of an Award subject to Section 409A, such undistributed amounts shall be distributed to his or her beneficiary under the distribution method for death established by the Participant's Election upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death. If the Participant has made no Election with respect to distributions of Section 409A Deferred Compensation upon death, all such distributions shall be paid in a lump sum upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death.

(f) ***Payment Upon Change in Control.*** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, to the extent that any amount constituting Section 409A Deferred Compensation would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. Any Award which constitutes Section 409A Deferred Compensation and which would vest and otherwise become payable upon a Change in Control as a result of the failure of the Acquiror to assume, continue or substitute for such Award in accordance with Section 14.1(b) shall vest to the extent provided by such Award but shall be converted automatically at the effective time of such Change in Control into a right to receive, in cash on the date or dates such award would have been settled in accordance with its then existing settlement schedule (or as required by Section 16.4(c)), an amount or amounts equal in the aggregate to the intrinsic value of the Award at the time of the Change in Control.

(g) ***Payment Upon Unforeseeable Emergency.*** The Committee shall have the authority to provide in the Award Agreement evidencing any Award providing for Section 409A Deferred Compensation for payment in settlement of all or a portion of such Award in the event that a Participant establishes, to the satisfaction of the Committee, the occurrence of an unforeseeable emergency. In such event, the amount(s) distributed with respect to such unforeseeable emergency cannot exceed the amounts reasonably necessary to satisfy the emergency need plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution(s), after taking into account the extent to which such emergency need is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under the Award. All distributions with respect to an unforeseeable emergency shall be made in a lump sum upon the Committee's determination that an unforeseeable emergency has occurred. The Committee's decision with respect to whether an unforeseeable emergency has occurred and the manner in which, if at all, the payment in settlement of an Award shall be altered or modified, shall be final, conclusive, and not subject to approval or appeal.

(h) ***Prohibition of Acceleration of Payments.*** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, this Plan does not permit the acceleration of the time or schedule of any payment under an Award providing Section 409A Deferred Compensation, except as permitted by Section 409A.

(i) ***No Representation Regarding Section 409A Compliance***. Notwithstanding any other provision of the Plan, the Company makes no representation that Awards shall be exempt from or comply with Section 409A. No Participating Company shall be liable for any tax, penalty or interest imposed on a Participant by Section 409A.

17. **TAX WITHHOLDING.**

17.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes (including social insurance), if any, required by law to be withheld by any Participating Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

17.2 **Withholding in or Directed Sale of Shares.** The Committee shall have the right, but not the obligation to cause the Company, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of any Participating Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates. The Company may require a Participant to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of any Participating Company and to remit an amount equal to such tax withholding obligations to such Participating Company in cash.

18. **AMENDMENT, SUSPENSION OR TERMINATION OF PLAN.** The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's shareholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.4), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's shareholders under any applicable law, regulation or rule, including the rules of any stock exchange or quotation system upon which the Stock may then be listed or quoted. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan to the contrary, the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

19. **MISCELLANEOUS PROVISIONS.**

19.1 **Repurchase Rights.** Shares issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee

in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

19.2 **Forfeiture Events.**

(a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause or any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service.

(b) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company for (i) the amount of any payment in settlement of an Award received by such Participant during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement, and (ii) any profits realized by such Participant from the sale of securities of the Company during such twelve- (12-) month period.

19.3 **Provision of Information.** Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common shareholders.

19.4 **Rights as Employee, Consultant or Director.** No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

19.5 **Rights as a Shareholder.** A Participant shall have no rights as a shareholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly

authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.4 or another provision of the Plan.

19.6 **Delivery of Title to Shares.** Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

19.7 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

19.8 **Retirement and Welfare Plans**. Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

19.9 **Beneficiary Designation.** Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

19.10 **Severability**. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

19.11 **No Constraint on Corporate Action.** Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

19.12 **Unfunded Obligation.** Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be considered unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

19.13 **Choice of Law.** Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of California, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the Pacific Datavision 2014 Stock Plan as duly adopted by the Board on May 12, 2014.

/s/ John Pescatore

John Pescatore, President and Chief Executive Officer

PLAN HISTORY AND NOTES TO COMPANY

May 12, 2014	Board adopts Plan with a reserve of 1,200,000 shares (subject to increases and other adjustments as provided by the Plan), subject to approval by the shareholders of the Company.
May 23, 2014	Plan submitted for approval by the shareholders of the Company.
	Plan approved by the shareholders of the Company.
	Form S-8 registration statement covering Plan filed.
IMPORTANT NOTE: IRC 162(m) 5 year reapproval of performance goals	Because the Committee may change the targets under performance goals, Section 162(m) requires shareholder reapproval of the material terms of performance goals no later than the annual meeting in the 5th year following the year in which the public company shareholders initially approved such material terms. See Treas. Reg. 1.162-27(e)(4)(vi).
IMPORTANT NOTE: Implementation of Section 12 —Deferred Compensation Awards	Upon establishment of a Deferred Compensation Award program pursuant to Section 12, determine whether such program may constitute an employee pension benefit plan within the meaning of ERISA Sec. 3(2), and, if so, implement such program through a subplan adopted by the committee, with eligibility limited to Directors and a select group of management or highly compensated employees in order to qualify such subplan as a “top-hat” unfunded deferred compensation plan. File notice with Dept. of Labor under ERISA Reg. 2520.104-23 within 120 days of adoption of such subplan in order to exempt the subplan from reporting and disclosure requirements of ERISA.

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PACIFIC DATAVISION
NOTICE OF GRANT OF STOCK OPTION

Pacific Datavision (the "***Company***") has granted to the Participant an option (the "***Option***") to purchase certain shares of Stock (the "***Option Shares***") pursuant to the Pacific Datavision 2014 Stock Plan (the "***Plan***"), as follows:

Participant: Award No.: _____

Date of Grant: _____

Number of Option Shares: , subject to adjustment as provided by the Option Agreement.

Exercise Price per Share: $_____

Vesting Start Date: _____

Option Expiration Date: The tenth anniversary of the Date of Grant

Tax Status of Option: _____ Stock Option. (Enter "Incentive" or "Nonstatutory." If blank, this Option will be a Nonstatutory Stock Option.)

Vested Shares: Except as provided in the Option Agreement and provided the Participant's Service has not terminated prior to the applicable date, the number of Vested Shares (disregarding any resulting fractional share) as of any date is determined by multiplying the Number of Option Shares by the "***Vested Ratio***" determined as of such date, as follows:

	Vested Ratio
Prior to first anniversary of Vesting Start Date	0
On first anniversary of Vesting Start Date (the "***Initial Vesting Date***")	1/4
Plus	
For each additional [one year] of the Participant's Service from the Initial Vesting Date until the Vested Ratio equals 1/1, an additional	[1/4]

Accelerated Vesting: [Notwithstanding any other provision contained in this Notice of Grant or the Option Agreement, the total Number of Option Shares shall become Vested Shares immediately prior to, but conditioned upon, the consummation of a Change in Control, provided that the Participant's Service has not terminated prior to the date of the Change in Control.]

[Notwithstanding any other provision contained in this Notice of Grant or the Option Agreement, the Total Number of Option Shares shall become Vested Shares upon the termination of Participant's

Service without Cause by the Participating Company Group (or its successor) [or by the Participant for Good Reason[1]] within [ten] days prior to, or during the [one-year] period from and after, the date a Change in Control is consummated.]

Suspension of Vesting: During any authorized leave of absence, the vesting of the Option as provided by this Notice of Grant shall be suspended after the leave of absence exceeds a period of ninety (90) days. Vesting of the Option shall resume upon the Participant's termination of the leave of absence and return to Service. The period of Service required for each subsequent Vested Share installment determined in accordance with the vesting schedule above shall be extended by the length of the suspension. Any extension of the vesting schedule shall not defer the Option Expiration Date.

Superseding Agreement: None.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Option is governed by this Notice of Grant and by the provisions of the Option Agreement and the Plan, both of which are made a part of this document, and by the Superseding Agreement, if any. The Participant acknowledges that copies of the Plan, the Option Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Notice of Grant. The Participant represents that the Participant has read and is familiar with the provisions of the Option Agreement and the Plan, and hereby accepts the Option subject to all of their terms and conditions.

PACIFIC DATAVISION

By: _____
[Name]
[Title]

Address: 100 Hamilton Plaza
Lobby Floor
Paterson, NJ 07505

PARTICIPANT

_____
Signature

_____
Date

_____
Address

ATTACHMENTS: 2014 Stock Plan, as amended to the Date of Grant; Stock Option Agreement; Exercise Notice; and Plan Prospectus

[1] "Good Reason" would need to be defined.

PACIFIC DATAVISION
STOCK OPTION AGREEMENT

Pacific Datavision (the "***Company***") has granted to the Participant named in the *Notice of Grant of Stock Option* (the "***Notice of Grant***") to which this Stock Option Agreement (the "***Option Agreement***") is attached an option (the "***Option***") to purchase certain shares of Stock upon the terms and conditions set forth in the Notice of Grant and this Option Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Pacific Datavision 2014 Stock Plan (the "***Plan***"), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Notice of Grant, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with, the Notice of Grant, this Option Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of shares issuable pursuant to the Option (the "***Plan Prospectus***"), (b) accepts the Option subject to all of the terms and conditions of the Notice of Grant, this Option Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Notice of Grant, this Option Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION**.

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Notice of Grant or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Option Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **TAX CONSEQUENCES**.

2.1 **Tax Status of Option.** This Option is intended to have the tax status designated in the Notice of Grant.

(a) ***Incentive Stock Option*.** If the Notice of Grant so designates, this Option is intended to be an Incentive Stock Option within the meaning of Section 422(b) of the Code, but the Company does not represent or warrant that this Option qualifies as such. The Participant should consult with the Participant's own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. (NOTE TO PARTICIPANT: If the Option is exercised more than three (3) months after the date on which you cease to be an Employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), the Option will be treated as a Nonstatutory Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)

(b) ***Nonstatutory Stock Option***. If the Notice of Grant so designates, this Option is intended to be a Nonstatutory Stock Option and shall not be treated as an Incentive Stock Option within the meaning of Section 422(b) of the Code.

2.2 **ISO Fair Market Value Limitation.** *If the Notice of Grant designates this Option as an Incentive Stock Option*, then to the extent that the Option (together with all Incentive Stock Options granted to the Participant under all stock option plans of the Participating Company Group, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount will be treated as Nonstatutory Stock Options. For purposes of this Section 2.2, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of Stock is determined as of the time the option with respect to such Stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 2.2, such different limitation shall be deemed incorporated herein effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 2.2, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option. (NOTE TO PARTICIPANT: If the aggregate Exercise Price of the Option (that is, the Exercise Price multiplied by the Number of Option Shares) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other stock option plan of the Participating Company Group) is greater than $100,000, you should contact the Chief Financial Officer of the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option.)

3. **ADMINISTRATION**.

All questions of interpretation concerning the Notice of Grant, this Option Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Option shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Option, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Option or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Option. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

4. **EXERCISE OF THE OPTION**.

4.1 **Right to Exercise.** Except as otherwise provided herein, the Option shall be exercisable on and after the Initial Vesting Date and prior to the termination of the Option (as

provided in Section 6) in an amount not to exceed the number of Vested Shares less the number of shares previously acquired upon exercise of the Option. In no event shall the Option be exercisable for more shares than the Number of Option Shares, as adjusted pursuant to Section 9.

4.2 **Method of Exercise.** Exercise of the Option shall be by means of electronic or written notice (the "***Exercise Notice***") in a form authorized by the Company. An electronic Exercise Notice must be digitally signed or authenticated by the Participant in such manner as required by the notice and transmitted to the Company or an authorized representative of the Company (including a third-party administrator designated by the Company). In the event that the Participant is not authorized or is unable to provide an electronic Exercise Notice, the Option shall be exercised by a written Exercise Notice addressed to the Company, which shall be signed by the Participant and delivered in person, by certified or registered mail, return receipt requested, by confirmed facsimile transmission, or by such other means as the Company may permit, to the Company, or an authorized representative of the Company (including a third-party administrator designated by the Company). Each Exercise Notice, whether electronic or written, must state the Participant's election to exercise the Option, the number of whole shares of Stock for which the Option is being exercised and such other representations and agreements as to the Participant's investment intent with respect to such shares as may be required pursuant to the provisions of this Option Agreement. Further, each Exercise Notice must be received by the Company prior to the termination of the Option as set forth in Section 6 and must be accompanied by full payment of the aggregate Exercise Price for the number of shares of Stock being purchased. The Option shall be deemed to be exercised upon receipt by the Company of such electronic or written Exercise Notice and the aggregate Exercise Price.

4.3 **Payment of Exercise Price**.

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the aggregate Exercise Price for the number of shares of Stock for which the Option is being exercised shall be made (i) in cash, by check or in cash equivalent; (ii) if permitted by the Company and subject to the limitations contained in Section 4.3(b), by means of (1) a Cashless Exercise, (2) a Net-Exercise, or (3) a Stock Tender Exercise; or (iii) by any combination of the foregoing.

(b) ***Limitations on Forms of Consideration***. The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedure providing for payment of the Exercise Price through any of the means described below, including with respect to the Participant notwithstanding that such program or procedures may be available to others.

(i) **Cashless Exercise**. A "***Cashless Exercise***" means the delivery of a properly executed Exercise Notice together with irrevocable instructions to a broker in a form acceptable to the Company providing for the assignment to the Company of the proceeds of a sale or loan with respect to shares of Stock acquired upon the exercise of the Option in an amount not less than the aggregate Exercise Price for such shares (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System).

(ii) **Net-Exercise**. A "***Net-Exercise***" means the delivery of a properly executed Exercise Notice electing a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to the Participant upon the exercise of the Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate Exercise Price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate Exercise Price not satisfied by such reduction in the number of whole shares to be issued. Following a Net-Exercise, the number of shares remaining subject to the Option, if any, shall be reduced by the sum of (1) the net number of shares issued to the Participant upon such exercise, and (2) the number of shares deducted by the Company for payment of the aggregate Exercise Price.

(iii) **Stock Tender Exercise**. A "***Stock Tender Exercise***" means the delivery of a properly executed Exercise Notice accompanied by (1) the Participant's tender to the Company, or attestation to the ownership, in a form acceptable to the Company of whole shares of Stock having a Fair Market Value that does not exceed the aggregate Exercise Price for the shares with respect to which the Option is exercised, and (2) the Participant's payment to the Company in cash of the remaining balance of such aggregate Exercise Price not satisfied by such shares' Fair Market Value. A Stock Tender Exercise shall not be permitted if it would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's Stock. If required by the Company, the Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for a period of time required by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

4.4 **Tax Withholding.**

(a) ***In General***. At the time the Option is exercised, in whole or in part, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for (including by means of a Cashless Exercise to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company Group, if any, which arise in connection with the Option. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company Group have been satisfied by the Participant.

(b) ***Withholding in Shares.*** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations upon exercise of the Option by deducting from the shares of Stock otherwise issuable to the Participant upon such exercise a number of whole shares having a fair market value, as determined by the Company as of the date of exercise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

4.5 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the

Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all shares acquired by the Participant pursuant to the exercise of the Option. Except as provided by the preceding sentence, a certificate for the shares as to which the Option is exercised shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

4.6 **Restrictions on Grant of the Option and Issuance of Shares.** The grant of the Option and the issuance of shares of Stock upon exercise of the Option shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise of the Option be in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. THE PARTICIPANT IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE PARTICIPANT MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4.7 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the exercise of the Option.

5. **NONTRANSFERABILITY OF THE OPTION**.

During the lifetime of the Participant, the Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. The Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Following the death of the Participant, the Option, to the extent provided in Section 7, may be exercised by the Participant's legal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

6. **TERMINATION OF THE OPTION**.

The Option shall terminate and may no longer be exercised after the first to occur of (a) the close of business on the Option Expiration Date, (b) the close of business on the last date for exercising the Option following termination of the Participant's Service as described in Section 7, or (c) a Change in Control to the extent provided in Section 8.

7. **EFFECT OF TERMINATION OF SERVICE**.

7.1 **Option Exercisability**. The Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period as determined below and thereafter shall terminate.

(a) ***Retirement***. If the Participant's Service terminates other than for Cause after the Participant has both (i) attained age [fifty-five (55)] and (ii) completed [ten (10)] years of continuous Service (such combination of age and continuous Service, "***Retirement Eligibility***"), the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the Option Expiration Date.

(b) ***Disability*.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. Notwithstanding the foregoing, if the Participant's Service terminates because of the Disability of the Participant after the Participant achieves Retirement Eligibility, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the Option Expiration Date.

(c) ***Death*.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. Notwithstanding the foregoing, (i) if the Participant dies during the three-month period provided by Section 7.1(e) or during the twelve-month period provided by Section 7.1(b), the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date of the Participant's death, but in any event no later than the Option Expiration Date; or (ii) if the Participant's Service terminates because of the death of the Participant after the Participant achieves Retirement Eligibility, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the Option Expiration Date.

(d) ***Termination for Cause.*** Notwithstanding any other provision of this Option Agreement to the contrary, if the Participant's Service is terminated for Cause or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(e) ***Other Termination of Service.*** If the Participant's Service terminates for any reason, except Disability, death or Cause [or after achieving Retirement Eligibility], the Option, to the extent unexercised and exercisable for Vested Shares by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

7.2 **Extension if Exercise Prevented by Law.** Notwithstanding the foregoing, other than termination of the Participant's Service for Cause, if the exercise of the Option within the applicable time periods set forth in Section 7.1 is prevented by the provisions of Section 4.6, the Option shall remain exercisable until the later of (a) thirty (30) days after the date such exercise first would no longer be prevented by such provisions, or (b) the end of the applicable time period under Section 7.1, but in any event no later than the Option Expiration Date.

8. **EFFECT OF CHANGE IN CONTROL**.

In the event of a Change in Control, except to the extent that the Committee determines to cash out the Option in accordance with Section 13.1(c) of the Plan, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the Option or substitute for all or any portion of the Option a substantially equivalent option for the Acquiror's stock. For purposes of this Section, the Option or any portion thereof shall be deemed assumed if, following the Change in Control, the Option confers the right to receive, subject to the terms and conditions of the Plan and this Option Agreement, for each share of Stock subject to such portion of the Option immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise of the Option, for each share of Stock subject to the Option, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. The Option shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control to the extent that the Option is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised as of the time of the Change in Control.

9. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE**.

Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number, Exercise Price and kind of shares subject to the Option, in order to prevent dilution or enlargement of the Participant's rights under the Option. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number and the Exercise Price shall be rounded up to the nearest whole cent. In no event may the Exercise Price be decreased to an amount less than the par value, if any, of the Stock subject to the Option. The Committee in its sole discretion, may also make such adjustments in the terms of the Option to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate. All adjustments pursuant to this Section shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT**.

The Participant shall have no rights as a stockholder with respect to any shares covered by the Option until the date of the issuance of the shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Option Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service as a Director, an Employee or Consultant, as the case may be, at any time.

11. **NOTICE OF SALES UPON DISQUALIFYING DISPOSITION**.

The Participant shall dispose of the shares acquired pursuant to the Option only in accordance with the provisions of this Option Agreement. In addition, *if the Notice of Grant designates this Option as an Incentive Stock Option*, the Participant shall (a) promptly notify the Chief Financial Officer of the Company if the Participant disposes of any of the shares acquired pursuant to the Option within one (1) year after the date the Participant exercises all or part of the Option or within two (2) years after the Date of Grant and (b) provide the Company with a description of the circumstances of such disposition. Until such time as the Participant disposes

of such shares in a manner consistent with the provisions of this Option Agreement, unless otherwise expressly authorized by the Company, the Participant shall hold all shares acquired pursuant to the Option in the Participant's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's Stock to notify the Company of any such transfers. The obligation of the Participant to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

12. **LEGENDS**.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Stock subject to the provisions of this Option Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

> THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("ISO"). IN ORDER TO OBTAIN THE PREFERENTIAL TAX TREATMENT AFFORDED TO ISOs, THE SHARES SHOULD NOT BE TRANSFERRED PRIOR TO [*INSERT DISQUALIFYING DISPOSITION DATE HERE*]. SHOULD THE REGISTERED HOLDER ELECT TO TRANSFER ANY OF THE SHARES PRIOR TO THIS DATE AND FOREGO ISO TAX TREATMENT, THE TRANSFER AGENT FOR THE SHARES SHALL NOTIFY THE CORPORATION IMMEDIATELY. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE INCENTIVE STOCK OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) PRIOR TO THIS DATE OR UNTIL TRANSFERRED AS DESCRIBED ABOVE.

13. **MISCELLANEOUS PROVISIONS**.

13.1 **Termination or Amendment**. The Committee may terminate or amend the Plan or the Option at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may have a materially adverse effect on the Option or any unexercised portion hereof without the consent of the Participant unless such termination or amendment is necessary to comply with any applicable law or government regulation. No amendment or addition to this Option Agreement shall be effective unless in writing.

13.2 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Option Agreement.

13.3 **Binding Effect**. This Option Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.4 **Delivery of Documents and Notices**. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Option Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Notice of Grant or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Notice of Grant, this Option Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Notice of Grant and Exercise Notice called for by Section 4.2 to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery.*** The Participant acknowledges that the Participant has read Section 13.4(a) of this Option Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Notice of Grant and Exercise Notice, as described in Section 13.4(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.4(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the

Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.4(a).

13.5 **Integrated Agreement**. The Notice of Grant, this Option Agreement and the Plan, together with the Superseding Agreement, if any, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein, the provisions of the Notice of Grant, the Option Agreement and the Plan shall survive any exercise of the Option and shall remain in full force and effect.

13.6 **Applicable Law**. This Option Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California.

13.7 **Counterparts**. The Notice of Grant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

PACIFIC DATAVISION
NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Pacific Datavision (the "***Company***") has granted to the Participant an award (the "***Award***") of certain units pursuant to the Pacific Datavision 2014 Stock Plan (the "***Plan***"), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock (a "***Unit***"), as follows:

Participant: _____ **Employee ID:** _____

Date of Grant: _____

Total Number of Units: , subject to adjustment as provided by the Restricted Stock Units Agreement.

Settlement Date: Except as provided by the Restricted Stock Units Agreement, the date on which a Unit becomes a Vested Unit.

Vesting Start Date: _____

Vested Units: Except as provided in the Restricted Stock Units Agreement and provided that the Participant's Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the "***Vested Ratio***" determined as of such date, as follows:

	Vested Ratio
Prior to first anniversary of Vesting Start Date	0
On first anniversary of Vesting Start Date (the "***Initial Vesting Date***")	[1/4]
Plus	
For each additional period of [one year] of the Participant's Service from the Initial Vesting Date until the Vested Ratio equals 1/1, an additional	[1/4]

Accelerated Vesting: [Notwithstanding any other provision contained in this Notice of Grant or the Restricted Stock Units Agreement, the Total Number of Units shall become Vested Units immediately prior to, but conditioned upon, the consummation of a Change in Control, provided that the Participant's Service has not terminated prior to the date of the Change in Control.]

[Notwithstanding any other provision contained in this Notice of Grant or the Restricted Stock Units Agreement, the Total Number of Units shall become Vested Units upon the termination of Participant's Service without Cause by the Participating Company Group (or its successor)

[or by the Participant for Good Reason[1]] within [ten] days prior to, or during the [one-year] period from and after, the date a Change in Control is consummated.]

Superseding Agreement: None

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Notice of Grant and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document, and by the Superseding Agreement, if any. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Notice of Grant. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

PACIFIC DATAVISION	**PARTICIPANT**
By: _____	_____
[Name]	Signature
[Title]	_____
	Date
Address: 100 Hamilton Plaza	_____
Lobby Floor	Address
Paterson, NJ 07505	_____

ATTACHMENTS: 2014 Stock Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

[1] "Good Reason" would need to be defined.

PACIFIC DATAVISION
RESTRICTED STOCK UNITS AGREEMENT

Pacific Datavision has granted to the Participant named in the *Notice of Grant of Restricted Stock Units* (the "***Notice of Grant***") to which this Restricted Stock Units Agreement (the "***Agreement***") is attached an Award consisting of Restricted Stock Units (each a "***Unit***") subject to the terms and conditions set forth in the Notice of Grant and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Pacific Datavision 2014 Stock Plan (the "***Plan***"), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Notice of Grant, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Notice of Grant, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the "***Plan Prospectus***"), (b) accepts the Award subject to all of the terms and conditions of the Notice of Grant, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Notice of Grant, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Notice of Grant or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **ADMINISTRATION**.

All questions of interpretation concerning the Notice of Grant, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

3. **THE AWARD**.

3.1 **Grant of Units.** On the Date of Grant, the Participant shall acquire, subject to the provisions of this Agreement, the Total Number of Units set forth in the Notice of Grant, subject to adjustment as provided in Section 9. Each Unit represents a right to receive on a date determined in accordance with the Notice of Grant and this Agreement one (1) share of Stock.

3.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Units.

4. **VESTING OF UNITS**.

Units acquired pursuant to this Agreement shall become Vested Units as provided in the Notice of Grant. For purposes of determining the number of Vested Units following an Ownership Change Event, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after the Ownership Change Event.

5. **COMPANY REACQUISITION RIGHT**.

5.1 **Grant of Company Reacquisition Right.** Except to the extent otherwise provided by the Superseding Agreement, if any, in the event that the Participant's Service terminates for any reason or no reason, with or without cause, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units ("***Unvested Units***"*)*, and the Participant shall not be entitled to any payment therefor (the "***Company Reacquisition Right***").

5.2 **Ownership Change Event, Non-Cash Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 9, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested Units shall be immediately subject to the Company Reacquisition Right and included in the terms "Units" and "Unvested Units" for all purposes of the Company Reacquisition Right with the same force and effect as the Unvested Units immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Units following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

6. **SETTLEMENT OF THE AWARD**.

6.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 6.3, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Stock. The Settlement Date with respect to a Unit shall be the date on which such Unit becomes a Vested Unit as provided by the Notice of Grant (an "***Original Settlement Date***"); provided, however, that if the Original Settlement Date would occur on a date on which a sale by the Participant of the shares to be issued in settlement of the Vested Units would violate the Trading Compliance Policy of the Company, the Settlement Date for such Vested Units shall be deferred until the next day on which the sale of such shares would not violate the Trading Compliance Policy, but in any event on or before the 15th day of the third calendar month following calendar year of the Original Settlement Date. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3, Section 7 or the Company's Trading Compliance Policy.

6.2 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

6.3 **Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

6.4 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the settlement of the Award.

7. **TAX WITHHOLDING.**

7.1 **In General.** At the time the Notice of Grant is executed, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company, if any, which arise in connection with the Award, the vesting of Units or the issuance of shares of Stock in settlement thereof. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company have been satisfied by the Participant.

7.2 **Assignment of Sale Proceeds.** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Participating Company's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

7.3 **Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations by deducting from the shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

8. **EFFECT OF CHANGE IN CONTROL.**

In the event of a Change in Control, except to the extent that the Committee determines to cash out the Award in accordance with Section 13.1(c) of the Plan, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the outstanding Units or substitute for all or any portion of the outstanding Units substantially equivalent rights with respect to the Acquiror's stock. For purposes of this Section, a Unit shall be deemed assumed if, following the Change in Control, the Unit confers the right to receive, subject to the terms and conditions of the Plan and this Agreement, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon settlement of the Unit to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. The Award shall terminate and cease to be outstanding effective as of the

time of consummation or the Change in Control to the extent that Units subject to the Award are neither assumed or continued by the Acquiror in connection with the Change in Control nor settled as of the time of the Change in Control.

9. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

Subject to any required action by the stockholders of the Company and the requirements of Section 409A to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.**

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service at any time.

11. **LEGENDS.**

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

12. **COMPLIANCE WITH SECTION 409A.**

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Award that may result in Section 409A Deferred Compensation shall comply in all respects with the applicable requirements of Section 409A (including applicable regulations or other administrative guidance thereunder, as determined by the Committee in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Section 409A, the following shall apply:

12.1 **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant's termination of Service which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A (the "***Section 409A Regulations***") shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, to the extent that the Participant is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the "***Delayed Payment Date***") which is first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

12.2 **Other Changes in Time of Payment.** Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits under this Agreement in any manner which would not be in compliance with the Section 409A Regulations.

12.3 **Amendments to Comply with Section 409A; Indemnification.** Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to comply with the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, its directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with the Award, including as a result of the application of Section 409A.

12.4 **Advice of Independent Tax Advisor.** The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of Section 409A to the Award, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the

application of Section 409A to the Award. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

13. **MISCELLANEOUS PROVISIONS**.

13.1 **Termination or Amendment.** The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 **Nontransferability of the Award.** Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Notice of Grant or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Notice of Grant, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Notice of Grant to the Company or to

such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery.*** The Participant acknowledges that the Participant has read Section 13.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Notice of Grant, as described in Section 13.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.5(a).

13.6 **Integrated Agreement.** The Notice of Grant, this Agreement and the Plan, together with the Superseding Agreement, if any, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Notice of Grant, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.7 **Applicable Law.** This Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California.

13.8 **Counterparts.** The Notice of Grant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

EXHIBIT 10.9

INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated , 2014, is made between Pacific DataVision, Inc., a Delaware corporation (the "Company"), and (the "Indemnitee").

RECITALS

A. The Company desires to attract and retain the services of talented and experienced individuals, such as Indemnitee, to serve as directors and officers of the Company and its subsidiaries and wishes to indemnify its directors and officers to the maximum extent permitted by law;

B. The Company and Indemnitee recognize that corporate litigation in general has subjected directors and officers to expensive litigation risks;

C. Section 145 of the General Corporation Law of Delaware, under which the Company is organized ("Section 145"), empowers the Company to indemnify its directors and officers by agreement and to indemnify persons who serve, at the request of the Company, as the directors and officers of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive;

D. The Company's Bylaws expressly provide that the indemnification provisions set forth therein, which include mandatory advancement, are not exclusive and may be supplemented by contracts such as this Indemnification Agreement;

E. The Company's Bylaws expressly provide that the indemnification provisions set forth therein, which include mandatory advancement, are not exclusive and may be supplemented by contracts such as this Indemnification Agreement;

F. Section 145(g) allows for the purchase of management liability ("D&O") insurance by the Company, which in theory can cover asserted liabilities without regard to whether they are indemnifiable or not;

G. Individuals considering service with or presently serving Company expect to be extended market terms of indemnification commensurate with their position, and that entities such as Company will endeavor to maintain appropriate D&O insurance; and

H. In order to induce Indemnitee to serve or continue to serve as a director or officer of the Company and/or one or more subsidiaries of the Company, the Company and Indemnitee enter into this Agreement.

AGREEMENT

NOW, THEREFORE, Indemnitee and the Company hereby agree as follows:

1. Definitions. As used in this Agreement:

(a) "Agent" means any person who is or was a director, officer, employee or other agent of the Company or a subsidiary of the Company; or is or was serving at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company as a director, officer, employee or agent of another foreign or domestic corporation, limited liability company, employee benefit plan, nonprofit entity, partnership, joint venture, trust or other enterprise; or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Company or a subsidiary of the Company, or was a director, officer, employee or agent of another enterprise at the request of, for the convenience of, or to represent the interests of such predecessor corporation.

(b) "Board" means the Board of Directors of the Company.

(c) A "Change in Control" shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing a majority of the total voting power represented by the Company's then outstanding voting securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board, together with any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination was previously so approved, cease for any reason to constitute a majority of the Board, (iii) the stockholders of the Company approve a merger or consolidation or a sale of all or substantially all of the Company's assets with or to another entity, other than a merger, consolidation or asset sale that would result in the holders of the Company's outstanding voting securities immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least a majority of the total voting power represented by the voting securities of the Company or such surviving or successor entity outstanding immediately thereafter, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company.

(d) "Expenses" shall include all reasonable out-of-pocket costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, or Section 145 or otherwise; provided, however, that "Expenses" shall not include any judgments, fines, ERISA excise taxes or penalties, or amounts paid in settlement of a Proceeding.

(e) "Independent Counsel" means a law firm, or a partner (or, if applicable, member) of such a law firm, that is experienced in relevant matters of corporation law and

neither currently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. Where required by this Agreement, Independent Counsel shall be retained at the Company's sole expense.

(f) "Proceeding" means any threatened, pending, or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether formal or informal, civil, criminal, administrative, or investigative, including any such investigation or proceeding instituted by or on behalf of the Corporation or its Board of Directors, in which Indemnitee is or reasonably may be involved as a party or target, that is by reason of Indemnitee's being an Agent of the Corporation.

(g) "Subsidiary" means any corporation of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

2. Agreement to Serve. Indemnitee agrees to serve and/or continue to serve as an Agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity Indemnitee currently serves as an Agent of the Company, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws or charter of the Company or any subsidiary of the Company or until such time as Indemnitee tenders his or her resignation in writing; provided, however, that nothing contained in this Agreement is intended to create any right to continued employment or other service by Indemnitee.

3. Liability Insurance.

(a) Maintenance of D&O Insurance. The Company hereby covenants and agrees that, so long as Indemnitee shall continue to serve as an Agent of the Company and thereafter so long as Indemnitee shall be subject to any possible Proceeding by reason of the fact that Indemnitee was an Agent of the Company, the Company, subject to Section 3(c), shall promptly obtain and maintain in full force and effect directors' and officers' liability insurance ("D&O Insurance") in reasonable amounts from established and reputable insurers of a minimum A.M. Best rating of A- VII, and as more fully described below. In the event of a Change in Control, the Company shall, as set forth in Section (c) below, either: i) maintain such D&O Insurance for six years; or ii) purchase a six year tail for such D&O Insurance. Should a tail policy be purchased, reasonable efforts shall be made to try to negotiate that such policy is purchased by the Company's D&O insurance broker at that time, and under the same or better terms and limits for individuals that is in place at that time.

(b) Rights and Benefits. In all policies of D&O Insurance, Indemnitee shall qualify as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's independent directors (as defined

by the insurer) if Indemnitee is such an independent director; of the Company's non-independent directors if Indemnitee is not an independent director; of the Company's officers if Indemnitee is an officer of the Company; or of the Company's key employees, if Indemnitee is not a director or officer but is a key employee.

(c) Limitation on Required Maintenance of D&O Insurance. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain D&O Insurance at all, or of any type, terms, or amount, if the Company determines in good faith and after using commercially reasonable efforts that: such insurance is not reasonably available; the premium costs for such insurance are disproportionate to the amount of coverage provided; the coverage provided by such insurance is limited so as to provide an insufficient or unreasonable benefit; Indemnitee is covered by similar insurance maintained by a subsidiary of the Company; or the Company is to be acquired and a policy (tail or otherwise) of reasonable terms and duration can be purchased for pre-closing acts or omissions by Indemnitee.

4. Mandatory Indemnification. Subject to the terms of this Agreement:

(a) Third Party Actions. If Indemnitee was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, the Company shall indemnify Indemnitee against all Expenses and liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes and penalties, and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, provided Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) Derivative Actions. If Indemnitee was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, provided Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification under this Section 4(b) shall be made in respect to any claim, issue or matter as to which Indemnitee shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction unless and only to the extent that the Delaware Court of Chancery or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such amounts which the Delaware Court of Chancery or such other court shall deem proper.

(c) Actions where Indemnitee is Deceased. If Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by

Indemnitee in any such capacity, and if, prior to, during the pendency of or after completion of such Proceeding Indemnitee is deceased, the Company shall indemnify Indemnitee's heirs, executors and administrators against all Expenses and liabilities of any type whatsoever to the extent Indemnitee would have been entitled to indemnification pursuant to this Agreement were Indemnitee still alive.

(d) Certain Terminations. The termination of any Proceeding or of any claim, issue, or matter therein by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(e) Limitations. Notwithstanding the foregoing provisions of Sections 4(a) through (d) hereof, but subject to the exception set forth in Section 14 which shall control, the Company shall not be obligated to indemnify the Indemnitee for Expenses or liabilities of any type whatsoever for which payment (and the Company's indemnification obligations under this Agreement shall be reduced by such payment) is actually made to or on behalf of Indemnitee, by the Company or otherwise, under a corporate insurance policy, or under a valid and enforceable indemnity clause, right, by-law, or agreement; and, in the event the Company has previously made a payment to Indemnitee for an Expense or liability of any type whatsoever for which payment is actually made to or on behalf of the Indemnitee under an insurance policy, or under a valid and enforceable indemnity clause, by-law or agreement, Indemnitee shall return to the Company the amounts subsequently received by the Indemnitee from such other source of indemnification.

(f) Witness. In the event that Indemnitee is not a party or threatened to be made a party to a Proceeding, but is subpoenaed (or given a written request to be interviewed by or provide documents or information to a government authority) in such a Proceeding by reason of the fact that the Indemnitee is or was an Agent of the Company, or by reason of anything witnessed or allegedly witnessed by the Indemnitee in that capacity, the Company shall indemnify the Indemnitee against all actually and reasonable out of pocket costs (including without limitation legal fees) reasonably incurred by the Indemnitee in responding to such subpoena or written request for an interview. As a condition to this right, Indemnitee must provide notice of such subpoena or request to the Company within 14 days, subject to the terms of Section 7(a).

5. Indemnification for Expenses in a Proceeding in Which Indemnitee is Wholly or Partly Successful.

(a) Successful Defense. Notwithstanding any other provisions of this Agreement, to the extent Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, an action by or in the right of the Company) in which Indemnitee was a party by reason of the fact that Indemnitee is or was an Agent of the Company at any time, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense or appeal of such Proceeding.

(b) Partially Successful Defense. Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to any Proceeding (including, without limitation, an action by or in the right of the Company) in which Indemnitee was a party by reason of the fact that Indemnitee is or was an Agent of the Company at any time and is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter.

(c) Dismissal. For purposes of this section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) Contribution. If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee, then to the extent allowed by law, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and Indemnitee on the other hand from the transaction from which such action, suit or proceeding arose, and (ii) the relative fault of Company on the one hand and of Indemnitee on the other in connection with the events which resulted in such judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of Indemnitee on the other shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information, active or passive conduct, and opportunity to correct or prevent the circumstances resulting in such judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this section were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

6. Mandatory Advancement of Expenses.

(a) Subject to the terms of this Agreement and following notice pursuant to Section 7(a) below, the Company shall advance, interest free, all Expenses reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding to which Indemnitee is a party or is threatened to be made a party by reason of the fact that Indemnitee is or was an Agent of the Company (unless there has been a final determination that Indemnitee is not entitled to indemnification for such Expenses) upon receipt satisfactory documentation supporting such Expenses. Such advances are intended to be an obligation of the Company to Indemnitee hereunder and shall in no event be deemed to be a personal loan. Such advancement of Expenses shall otherwise be unsecured and without regard to Indemnitee's ability to repay. The advances to be made hereunder shall be paid by the Company to Indemnitee within 30 days following delivery of a written request therefore by

Indemnitee to the Company, along with such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to advancement (which shall include without limitation reasonably detailed invoices for legal services, but with disclosure of confidential work product not required). The Company shall discharge its advancement duty by, at its option, (a) paying such Expenses on behalf of Indemnitee, (b) advancing to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimbursing Indemnitee for Expenses already paid by Indemnitee. In the event that the Company fails to pay Expenses as incurred by Indemnitee as required by this paragraph, Indemnitee may seek mandatory injunctive relief (including without limitation specific performance) from any court having jurisdiction to require the Company to pay Expenses as set forth in this paragraph. If Indemnitee seeks mandatory injunctive relief pursuant to this paragraph, it shall not be a defense to enforcement of the Company's obligations set forth in this paragraph that Indemnitee has an adequate remedy at law for damages.

(b) Undertakings. By execution of this Agreement, Indemnitee agrees to repay the amount advanced only in the event and to the extent that it shall be finally determined that Indemnitee is not entitled to indemnification by the Company to the extent set forth in this agreement and under Delaware law. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement. No additional undertaking, or security, shall be required of Indemnitee.

7. Notice and Other Indemnification Procedures.

(a) Notice by Indemnitee. Promptly after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, Indemnitee shall, if Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company in writing of the commencement or threat of commencement thereof *provided*, *however*, that a delay in giving such notice will not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company; and, *provided*, *further*, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding and has notice thereof. The omission to notify the Company will not relieve the Company from any liability for indemnification which it may have to Indemnitee otherwise than under this Agreement.

(b) Insurance. If the Company receives notice pursuant to Section 7(a) hereof of the commencement of a Proceeding that may be covered under D&O Insurance then in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) Defense. In the event the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld), upon the delivery to Indemnitee of written notice of the Company's election so to do. After delivery of such notice, and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for

any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, provided that (i) Indemnitee shall have the right to employ his or her own counsel in any such Proceeding at Indemnitee's expense; and (ii) Indemnitee shall have the right to employ his or her own counsel in any such Proceeding at the Company's expense if (A) the Company has authorized the employment of counsel by Indemnitee at the expense of the Company; (B) Indemnitee shall have reasonably concluded based on the written advice of Indemnitee's legal counsel that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense; or (C) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding. In addition to all the requirements above, if the Company has D&O Insurance, or other insurance, with a panel counsel requirement that may cover the matter for which indemnity is claimed by Indemnitee, then Indemnitee shall use such panel counsel or other counsel approved by the insurers, unless there is an actual conflict of interest posed by representation by all such counsel, or unless and to the extent Company waives such requirement in writing. Indemnitee and his counsel shall provide reasonable cooperation with such insurer on request of the Company.

8. Right to Indemnification.

(a) Right to Indemnification. In the event that Section 5(a) is inapplicable, the Company shall indemnify Indemnitee pursuant to this Agreement unless, and except to the extent that, it shall have been determined by one of the methods listed in Section 8(b) that Indemnitee has not met the applicable standard of conduct required to entitle Indemnitee to such indemnification.

(b) Determination of Right to Indemnification. A determination of Indemnitee's right to indemnification under this Section 8 shall be made at the election of the Board by (i) a majority vote of directors who are not parties to the Proceeding for which indemnification is being sought, even though less than a quorum, or by a committee consisting of directors who are not parties to the Proceeding for which indemnification is being sought, who, even though less than a quorum, have been designated by a majority vote of the disinterested directors, or (ii) if there are no such disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. However, in the event there has been a Change in Control, then the determination shall, at Indemnitee's sole option, be made by Independent Counsel as in (b)(ii), above, with Indemnitee choosing the Independent Counsel subject to Company's consent, such consent not to be unreasonably withheld.

(c) Submission for Decision. As soon as practicable, and in no event later than 30 days after Indemnitee's written request for indemnification, the Board shall select the method for determining Indemnitee's right to indemnification. Indemnitee shall cooperate with the person or persons or entity making such determination with respect to Indemnitee's right to indemnification, including providing to such person, persons or entity, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement.

(d) Application to Court. If (i) a claim for indemnification or advancement of Expenses is denied, in whole or in part, (ii) no disposition of such claim is made by the Company within 60 days after the request therefore, (iii) the advancement of Expenses is not timely made pursuant to Section 6 of this Agreement or (iv) payment of indemnification is not made pursuant to Section 5 of this Agreement, Indemnitee shall have the right at his option to apply to the Delaware Court of Chancery, a California state or federal court, the court in which the Proceeding is or was pending, or any other court of competent jurisdiction, for the purpose of enforcing Indemnitee's right to indemnification (including the advancement of Expenses) pursuant to this Agreement. Upon written request by Indemnitee, the Company shall consent to service of process.

(e) Expenses Related to the Enforcement or Interpretation of this Agreement. The Company shall indemnify Indemnitee against Expenses incurred by Indemnitee in connection with any hearing or proceeding under this Section 8 involving Indemnitee, and against Expenses incurred by Indemnitee in connection with any other proceeding between the Company and Indemnitee to the extent involving the interpretation or enforcement of the rights of Indemnitee under this Agreement, if and to the extent Indemnitee is successful.

(f) In no event shall Indemnitee's right to indemnification (apart from advancement of Expenses) be determined prior to a final adjudication in the Proceeding at issue if the Proceeding is both ongoing, and of the nature to have a final adjudication.

(g) In any proceeding to determine Indemnitee's right to indemnification or advancement, Indemnitee shall be presumed to be entitled to indemnification or advancement, with the burden of proof on the Company to prove, by a preponderance of the evidence (or higher standard if required by relevant law) that Indemnitee is not so entitled.

(h) Indemnitee shall be fully indemnified for those matters where, in the performance of his duties for the Company, he relied in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the board of directors, or by any other person as to matters Indemnitee reasonably believed were within such other person's professional or expert competence and who was selected with reasonable care by or on behalf of the Company.

9. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated:

(a) Claims Initiated by Indemnitee. To indemnify or advance Expenses to Indemnitee with respect to Proceedings or claims initiated or brought voluntarily by Indemnitee (including cross actions), with a reasonable allocation where appropriate, unless (i) such indemnification is expressly required to be made by law, (ii) the Proceeding was authorized by the Board, (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the General Corporation Law of Delaware or (iv) the Proceeding is brought pursuant to Section 8 specifically to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 in advance of a final determination, in which case 8(e)'s fees-on-fees provision shall control;

(b) Fees on Fees. To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any Proceeding instituted by Indemnitee to enforce or interpret this Agreement, to the extent Indemnitee is not successful in such a Proceeding;

(c) Unauthorized Settlements. To indemnify Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding unless the Company consents to such settlement, which consent shall not be unreasonably withheld;

(d) Claims Under Section 16(b). To indemnify Indemnitee for Expenses associated with any Proceeding related to, or the payment of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law (provided, however, that the Company must advance Expenses for such matters as otherwise permissible under this Agreement); or

(e) Payments Contrary to Law. To indemnify or advance Expenses to Indemnitee for which payment is prohibited by applicable law.

10. Non-Exclusivity. The provisions for indemnification and advancement of Expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, the vote of the Company's stockholders or disinterested directors, other agreements, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while occupying Indemnitee's position as an Agent of the Company. Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as an Agent of the Company and shall inure to the benefit of the heirs, executors and administrators of Indemnitee.

11. Permitted Defenses. It shall be a defense to any action for which a claim for indemnification is made under this Agreement (other than an action brought to enforce a claim for Expenses pursuant to Section 6 hereof, provided that the required documents have been tendered to the Company) that Indemnitee is not entitled to indemnification because of the limitations set forth in Sections 4 and 9 hereof. Neither the failure of the Company (including its Board of Directors) or an Independent Counsel to have made a determination prior to the commencement of such enforcement action that indemnification of Indemnitee is proper in the circumstances, nor an actual determination by the Company (including its Board of Directors) or an Independent Counsel that such indemnification is improper, shall be a defense to the action or create a presumption that Indemnitee is not entitled to indemnification under this Agreement or otherwise. In making any determination concerning Indemnitee's right to indemnification, there shall be a presumption that Indemnitee has satisfied the applicable standard of conduct. Any determination by the Company concerning Indemnitee's right to indemnification that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware.

12. Subrogation. In the event the Company is obligated to make a payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery under any corporate insurance policy or any other indemnity agreement covering Indemnitee, who shall execute all documents reasonably required and take all action that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights (provided that the Company pays Indemnitee's costs and expenses of doing so), including without limitation by assigning all such rights to the Company or its designee to the extent of such indemnification or advancement of Expenses. The Company's obligation to indemnify or advance expenses under this Agreement shall be reduced by any amount Indemnitee has collected from such other source, and in the event that Company has fully paid such indemnity or expenses, Indemnitee shall return to the Company any amounts subsequently received from such other source of indemnification. With regard to Fund Indemnitors, however, Section 13 shall control over this section.

13. Primacy of Indemnification. The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses or liability insurance provided by a third-party investor in Company and certain of its affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees that (i) it is the indemnitor of first resort, *i.e.*, its obligations to Indemnitee under this Agreement and any indemnity provisions set forth in its Certificate of Incorporation, Bylaws or elsewhere (collectively, "Indemnity Arrangements") are primary, and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee is secondary and excess, (ii) it shall advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of Indemnitee, to the extent legally permitted and as required by any Indemnity Arrangement, without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) it irrevocably waives, relinquishes and releases the Fund Indemnitors from any claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind arising out of or relating to any Indemnity Arrangement. The Company further agrees that no advancement or indemnification payment by any Fund Indemnitor on behalf of Indemnitee shall affect the foregoing, and the Fund Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 13. The Company, on its own behalf and on behalf of its insurers to the extent allowed by the policies, waives subrogation rights against Indemnitee.

14. Broadest Interpretation. The Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation or Bylaws as now or hereafter in effect, or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder.

15. No Imputation. The knowledge or actions, or failure to act, of any director, officer, employee, or agent of the Company, or the Company itself shall not be imputed to Indemnitee for the purpose of determining Indemnitee's rights hereunder.

16. Survival of Rights.

(a) All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an Agent of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed Proceeding by reason of the fact that Indemnitee was serving in the capacity referred to herein.

(b) The Company shall require any successor to the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent permitted by law, including those circumstances in which indemnification would otherwise be discretionary.

18. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to this Section.

19. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters addressed herein (including without limitation any prior indemnification agreement for Indemnitee) are expressly superseded by this Agreement.

20. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless it is in a writing signed by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

21. Notice. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) upon delivery if delivered by hand to the party to whom such notice or other communication shall have been directed, (b) if mailed by certified or registered mail with postage prepaid, return receipt requested, on the third business day after the date on which it is so mailed, (c) one business day after the business day of deposit with a nationally recognized overnight delivery service, specifying next day delivery, with written verification of receipt, or (d) on the same day as delivered by confirmed facsimile transmission if delivered during business hours or on the next successive business day if delivered by confirmed facsimile transmission after business hours. Addresses for notice to either party shall be as shown on the signature page of this Agreement, or to such other address as may have been furnished by either party in the manner set forth above.

22. Governing Law. This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware. This Agreement is intended to be an agreement of the type contemplated by Section 145(f) of the General Corporation Law of Delaware.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforcement is sought needs to be produced to evidence the existence of this Agreement.

The parties hereto have entered into this Indemnification Agreement, including the undertaking contained herein, effective as of the date first above written.

Indemnitee:

_____

Address: _____

_____

The Company:

Pacific DataVision, Inc.
100 Hamilton Plaza Lobby Floor
Paterson, NJ 07505

By: _____

Name: _____

Title: _____

EXHIBIT 10.10

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of August 9, 2004 between PACIFIC DATAVISION, a California corporation (the "Company") and JOHN C. PESCATORE ("Employee").

In consideration of the mutual agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. EMPLOYMENT

1.1 Position and Duties. The Company hereby employs Employee as its PRESIDENT & CHIEF EXECUTIVE OFFICER ("CEO"), and Employee accepts such employment, on the terms contained in this Agreement. In that capacity, Employee shall have, subject to the supervision and control of the Company's Board of Directors, such power and duties as may be assigned to Employee from time-to-time by the Company's Board of Directors. During the Employment Period (as defined below), Employee shall devote his attention and time, on a half-time basis, during normal business hours to the business and affairs of the Company commensurate with his position as CEO and, to the extent necessary to discharge the responsibilities assigned to him under this Agreement, shall use his best efforts to carry out such responsibilities faithfully and efficiently.

1.2 Other Activities. During the Employment Period, other than for those business activities already in progress as of the date of this Agreement AND provided that these business activities do not compete with the Company's business or interfere with the Employee's ability to perform his obligations under this Agreement, Employee shall not, without the prior written consent of the Board of Directors, (i) engage in business activities (whether or not for compensation) other than on behalf of the Company or its affiliates, whether as an agent, consultant, employee, officer, director or trustee, or (ii) make a personal investment in any company that competes with the business conducted by the Company (other than as a passive investor owning less than a 2% interest in an entity whose securities are regularly traded in a public market). In addition to and without limiting the foregoing, during the Employment Period and for a period of two (2) years thereafter, Employee shall not, without the prior written consent of the Board of Directors, manage, operate, participate in, be employed by, act as, perform consulting services for or otherwise be connected in any manner with any person, firm, corporation or enterprise which is at the time engaged in a business which is directly or indirectly in competition with the business of the Company or any of its affiliates.

1.3 Office Location. The Company's offices where Employee shall render his services (except for travel from time to time on Company business) shall be in the greater Northern New Jersey area.

2. COMPENSATION AND BENEFITS

2.1 Base Salary. Employee's base salary during the Employment Period shall be $200,000 per year, which shall be paid in arrears in equal semi-monthly installments, net of all withholdings therefrom required under United States, state and local laws and any other applicable withholdings (such as, but not limited to, Employee's portion of medical and dental insurance premiums, if applicable). During the Employment Period, the base salary shall be reviewed by the Board of Directors for increase at least annually; provided, however, that any such increase shall be at the sole discretion of the Board of Directors. Any increase in the base salary shall not limit or reduce any other obligation of the Company under this Agreement.

2.2 Vacation and Holidays. Employee shall be entitled to a paid vacation and such other paid holidays and paid time off as shall be in accordance with standard Company policies from time to time. In addition, Employee shall be entitled to up to two weeks unpaid vacation to be taken at such times with the Company's approval as shall not significantly interfere with the Company's business or operations.

2.3 Fringe Benefits. During the Employment Period, the Company at its expense shall provide Employee with all fringe benefits made available by the Company to its other employees, subject to Employee's satisfaction of any applicable eligibility requirements Employee shall cooperate with the Company (including submitting to any required physical examination) in connection with its obtaining any additional key man or other life insurance coverage on Employee.

2.4 Business Expenses. The Company shall pay or reimburse Employee for all travel, entertainment, promotional and similar expenditures reasonably incurred by Employee in accordance with Company's then-current travel and out-of-pocket expense policies in the performance of Employee's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly to the CHAIRMAN OF THE BOARD OF THE COMPANY for approval with appropriate supporting documentation in accordance with Company's policies.

3. TERM AND TERMINATION

3.1 Term and Renewal. Employee shall be employed by Company under this Agreement from the date hereof through August 8, 2006 (the "Employment Period"), unless earlier terminated pursuant to Section 3.2; provided, however, that the Employment Period shall be automatically extended for an additional year beyond the current Employment Period upon the terms and conditions set forth herein, unless either party gives the other party written notice at least one (1) year prior to the end of the Employment Period. For purposes of this Agreement, references to the "Employment Period" shall include the original term and any extension thereof.

3.2 Termination of Employment.

(a) Death or Disability. Employee's employment shall terminate automatically upon Employee's death. The Company shall be entitled to terminate Employee's employment at any time for "Disability," which shall mean Employee is unable to perform the essential functions of Employee's position under this Agreement with or without reasonable accommodation. Termination of Employee's employment by the Company for Disability in accordance with this Section shall be communicated to Employee by notice, and shall become effective 30 days thereafter, unless Employee becomes able to perform the essential functions of his position with or without reasonable accommodation before the effective date of such termination. In the event of termination pursuant to this subsection, the Company shall pay Employee's base salary then in effect through the effective date of termination.

(b) By the Company for Cause. The Company may terminate Employee's employment under this Agreement at any time for Cause. "Cause" means: (i) a material breach of any provision of this Agreement by Employee that Employee does not cure within 30 days after the Company delivers written demand to Employee specifying the breach to be cured, (ii) Employee's persistent and willful neglect or willful breach of his duties under this Agreement, or refusal to early out the reasonable and proper written instructions of the Board of Directors provided Employee is given written notice of the foregoing and has 30 days thereafter to cure, (iii) Employee's taking any intentional action designed to damage the interests of the Company or any of its affiliates; (iv) Employee's conviction of a felony or any crime involving moral turpitude, or (v) any act of fraud, disloyalty, larceny, misappropriation of funds, embezzlement or any other act that is harmful, damaging or disparaging to the Company. Termination of employment by the Company for Cause shall be communicated by giving Employee written notice of

termination, setting forth in reasonable detail the specific conduct of Employee that constitutes Cause and the specific provision(s) of this Agreement on which the Company relies. Termination for Cause shall be effective upon the giving of notice or, if Employee's conduct is subject to cure, his failure to cure within the requisite 30 day time period, whichever occurs last. In the event of termination pursuant to this subsection, the Company shall pay Employee's base salary then in effect through the effective date of termination.

(e) By Employee for Good Reason. Employee may voluntarily terminate his employment for Good Reason. "Good Reason" means (i) any action taken by the Company that results in a significant diminution in Employee's responsibilities, authority or status, other than an isolated and inadvertent action that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from Employee; (ii) any change by the Company of the office location except as specified in Section 1.3 above; or (iii) any material failure by the Company to comply with any provision of Section 2 of this Agreement, other than an isolated and inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Employee. Termination of employment by Employee for Good Reason shall be communicated by giving the Company written notice of the termination, setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provision(s) of this Agreement on which the Employee relies. A termination of employment by the Employee for Good Reason shall be effective on the tenth business day following the date when the notice is given or, if the Company is permitted to remedy its action or failure, its failure to cure within the requisite time period, whichever occurs last. In the event of Employee's termination for Good Reason pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination unless (1) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay Employee his base salary then in effect through the effective date of termination.

(d) By Company Without Cause. The Company may terminate Employee's employment under this Agreement at any time without Cause. In the event of such termination without Cause pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination unless (i) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay a lump sum payment in accordance with the Company's then existing severance policy, but in no event less than two months of Employee's base salary then in effect.

3.3 Survival. The covenants and obligations in Section 1.2 and Article 4 shall survive termination of Employee's employment with the Company, regardless of who causes the termination and under what circumstances.

4. PROPRIETARY INFORMATION

4.1 Proprietary Information. Employee understands that in the course of his employment by the Company, he has in the past and will in the future receive Proprietary Information (as defined below) concerning the businesses or operations of the Company, which the Company desires to protect. Employee acknowledges that the Company has invested money and resources in procuring, developing and/or maintaining its Proprietary Information, and that such Proprietary Information has substantial economic value to the Company and is considered by the Company to be confidential, proprietary, trade secret information. Employee agrees that, at all times during his employment and thereafter, he will hold in strictest confidence and will not disclose, use or publish any of the Proprietary Information, except as such disclosure, use or publication may be required in connection with his work for the Company, or unless the Board of Directors expressly authorizes in writing such disclosure, use or publication in advance. The term "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company that has been identified and maintained as confidential by the Company or reasonably should be understood by Employee to be confidential, including, without limitation, any (i) products, processes, techniques, know-how, designs, software, drawings, formulas, methods, developmental or experimental work, technical data, reports, research, trade secrets, ideas, inventions, improvements and discoveries (hereinafter collectively referred to as "Inventions"); (ii) information regarding plans for research and development, new programs and products, marketing and selling, business plans, budgets and financial statements, licenses, prices and costs, and information regarding suppliers and customers, including customer lists and files; and (iii) information regarding the skills and compensation of other employees of the Company. Notwithstanding the foregoing, Employee is free, at all times, to use information which is generally known in the trade or industry, and which is not gained as a result of a breach of this Agreement (or breach of any other confidentiality agreement(s) with the Company or any third parties), or independently developed using his own general skill, knowledge, know-how and experience to whatever extent and in whichever way he wishes to the extent it is not Proprietary Information or Third Party Information,

4.2 Third Party Information. Employee understands that the Company has received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and at all times thereafter, Employee shall hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with his work for the Company, Third Party Information unless expressly authorized in writing by the Board of Directors in advance. Notwithstanding the foregoing, Employee is free, at all times, to use information which is generally known in the trade or industry, and which is not gained as a result of a breach of this Agreement (or breach of any other confidentiality agreement(s) with the Company or any third parties), or independently developed using his own general skill, knowledge, know-how and experience to whatever extent and in whichever way he wishes to the extent it is not Proprietary Information or Third Party Information,

4.3 Assignment of Inventions. Employee hereby assigns and agrees to assign in the future (when any such Inventions or Proprietary Rights are first reduced to practice or first fixed in a tangible medium, as applicable) to the Company, without further compensation to Employee, all of his right, title and interest in and to any and all Inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by Employee, either alone or jointly with others, during his employment by the Company. Employee also agrees to assign all of his right, title and interest in and to any particular Invention, developed at any time prior to two years after the termination date of the Employee and in the reasonable opinion of the Company, that it relates to the Company's business to the Company or to a third party as

directed by the Company, including without limitation the United States government or any of its agencies, as directed by the Company.

4.4 Disclosure of Inventions. During the Employment Period, Employee promptly shall disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by him, either alone or jointly with others. In addition, Employee shall promptly disclose to the Company all patent applications filed by him or on his behalf prior to termination of his employment with the Company. For a period of one (1) year following termination of his employment with the Company, Employee shall promptly disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by him, either alone or jointly with others, and all patent applications (collectively, the "Materials") filed by him or on his behalf, which Inventions or patent applications directly relate to the business of the Company at the time of termination or within three (3) years prior thereto. Employee shall assign all rights, title and interest in and to the Materials to the Company.

4.5 Works Made for Hire. Employee acknowledges that all original works of authorship which are made by him (solely or jointly with others) within the scope of his employment and which are protectable by copyright are "works made for hire," pursuant to the United States Copyright Act (17 U.S.C. § 101 *et seq.),* and are solely the property of the Company.

4.6 Maintenance of Records. Employee agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Proprietary Information developed by him and all Inventions made by him during the Employment Period, which records shall be available to and remain the sole property of the Company at all times.

4.7 Access to Records. Upon termination of his employment with the Company, Employee shall deliver to the Company any and all drawings, notes, sketches, memoranda, specifications, devices, formulas and documents, together with all copies thereof, and any other material containing or disclosing any Inventions, Third Party Information or Proprietary Information of the Company. Employee further agrees that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

4.8 Further Assurances. Whenever requested to do so by the Company, Employee promptly shall execute any and all applications, assignments and other instruments, and perform all such other acts, which the Company may deem necessary to apply for, obtain and maintain letters patent, copyrights or trademarks of the United States or any foreign cow-illy, or to otherwise perfect, maintain and protect the Company's interest in all Inventions, Materials and other Proprietary Rights. These obligations shall survive any termination of this Agreement and any termination of Employee's employment with the Company. In the event the Company is unable for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified above, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney in fact, which appointment is coupled with an interest, to act for and on Employee's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this paragraph with the same legal force and effect as if executed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

4.9 Unfair Competition. The parties hereto acknowledge that certain activities of Employee after Employee leaves the employ of the Company, including but not limited to use of the Company's customer lists, trade secrets or other Proprietary Information, or solicitation of the Company's customers

or employees, are deemed to be unfair competition under New York law. Accordingly, Employee, after leaving the employ of the Company, will not:

divulge or make personal use of Company's Proprietary Information;

(a) Employee, for a period of two (2) years, directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage the Company's relationships with any of its customers by soliciting or encouraging others to solicit any of the Company's customers for the purpose of diverting or taking away business from the Company; or

(b) Employee, for a period of two (2) years, directly or indirectly, separately or in association with others, solicit or attempt to hire any of the Company's employees, or cause others to solicit or encourage any of the Company's employees to discontinue their employment with the Company.

4.10 Equitable Remedies. Employee acknowledges and agrees that: (i) the purpose of the foregoing covenants is to protect the trade secrets, Proprietary Rights and other Proprietary Information of the Company; (ii) because of the nature of the business in which Company is engaged and because of the nature of the Proprietary Information to which Employee has access, it would be impractical and excessively difficult to determine the actual damages of the Company and its affiliates in the event Employee breaches any of the covenants of this Article 4; and (iii) remedies at law (such as monetary damages) for any breach of Employee's obligations under this Article 4 would be inadequate. Employee therefore agrees and consents that if Employee commits any breach under this Article 4 or threatens to commit any such breach, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage.

4.11 Notification of New Employer. In the event that Employee leaves the employ of the Company, Employee hereby consents to the notification of his new employer of Employee's rights and obligations under this Agreement.

5. MISCELLANEOUS

5.1 Amendment and Waiver. This Agreement shall not be amended except in a writing signed by Employee and approved by the Board of Directors of the Company. No waiver or consent shall be binding except in a writing signed by the party making the waiver or giving the consent. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent except to the extent specifically set forth in writing.

5.2 Notices. Any notice or communication required or permitted to be given under this Agreement shall be in writing (which may include telecopier or other similar form of reproduction followed by a mailed hard copy, but not electronic mail) and shall be deemed given when actually received or, if earlier, five days after deposit in the United States mail by certified or express mail, return receipt requested, postage prepaid or one business day after deposit with Federal Express, UPS, DHL, or other comparable delivery service for delivery by prepaid, overnight courier service, in each case addressed to party as set forth below or to such other address as such party may request by written notice:

The Company: PACIFIC DATAVISION
CIO Mr. John Pescatore
1515 Broad Street
Bloomfield, NJ 07003

Fax: 973-771-0300

Employee: Mr. John C. Pescatore

A party may change his or its address for purposes of this Section 5.2 by giving the other party written notice of the new address in the manner set forth above.

5.3 Governing Law. The rights and obligations of the parties shall be governed by, and this Agreement shall be construed and enforced in accordance with, the laws of the State of New York, excluding any rules that would apply the law of another jurisdiction,

5.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements between you and the Company with regard to the subject matter hereof. Employee matters that are not specifically addressed in this Agreement shall be covered by the Company's standard employee policies as the same are in effect from time to time.

5.5 Construction. Article, Section and subsection titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any of its provisions. Unless otherwise stated, any reference contained in this Agreement to an Article, Section or subsection refers to the provisions of this Agreement.

5.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

5.7 Nondelegable Duties. This is a contract for Employee's personal services. The duties of Employee under this Agreement are personal and may not be delegated or transferred in any manner whatsoever, and shall not be subject to involuntary alienation, assignment or transfer by Employee during his life.

5.8 Dispute Resolution. Any controversy between the parties arising out of, or relating in any manner to, this Agreement, shall on the written request of a party delivered to the other, be submitted to final and binding arbitration. Such arbitration shall be conducted by the American Arbitration Association in a mutually agreed venue, in accordance with it rules governing arbitration of commercial disputes in effect at the time, There shall be one arbitrator who shall have full authority to grant all forms of relief including prejudgment remedies and equitable relief. All orders and awards of the arbitrator shall be enforceable by any court having jurisdiction. The prevailing party in the arbitration shall have the right to recover costs and reasonable attorney's fees.

5.9 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable,

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first referenced above,

"COMPANY"

PACIFIC DATAVISION

By: /s/ Brian McAuley

EMPLOYEE

/s/ John Pescatore

John Pescatore

EXHIBIT 10.11

AMENDMENT TO EMPLOYMENT AGREEMENT
AS OF JUNE 1, 2012

WHEREAS, John Pescatore ("Employee") and Pacific DataVision, Inc. (the "Company") executed an Employment Agreement (the "Agreement") dated August 9, 2004;

WHEREAS, the parties desire to amend certain terms of such Agreement effective on the above written date

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 3.2 **Termination of Employment** is hereby amended as follows:

- Sub section (c) is deleted in its entirety and replaced by the new sub section (c) below:

(c) **By Employee for Good Reason.** Employee may voluntarily terminate his employment for Good Reason. "Good Reason" means (i) any action taken by the Company that results in a significant diminution in Employee's responsibilities, authority or status, other than an isolated and inadvertent action that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from Employee; (ii) any change by the Company of the office location except as specified in Section 1.3 above; or (iii) any material failure by the Company to comply with any provision of Section 2 of this Agreement, other than: (1) a decrease in compensation paid that resulted from a determination by both the President/CEO and the Chairman that the Company's financial condition is such that the reduction in compensation is essential to preserve the Company and that such percentage reduction is applied all Corporate Officers; or (2) an isolated and inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Employee. Termination of employment by Employee for Good Reason shall be communicated by giving the Company written notice of the termination, setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provision(s) of this Agreement on which the Employee relies. A termination of employment by the Employee for Good Reason shall be effective on the tenth business day following the date when the notice is given or, if the Company is permitted to remedy its action or failure, its failure to cure within the requisite time period, whichever occurs last. In the event of Employee's termination for Good Reason pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in twelve equal monthly payments commencing on the effective date of the termination unless (i) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in six equal monthly payments commencing on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay Employee his base salary then in effect through the effective date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to EMPLOYMENT AGREEMENT as of the date first above written.

PACIFIC DATAVISION

By: /s/ Brian McAuley

Name: Brian D. McAuley

Title: Chairman

EMPLOYEE

/s/ John Pescatore

John Pescatore

EXHIBIT 10.12

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of July 1, 2004 between PACIFIC DATAVISION, a California corporation (the "Company") and FRANK CREEDE ("Employee").

In consideration of the mutual agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. EMPLOYMENT

1.1 Position and Duties. The Company hereby employs Employee as its Chief Technical Officer ("CTO"), and Employee accepts such employment, on the terms contained in this Agreement. In that capacity, Employee shall have, subject to the supervision and control of the Company's Chief Executive Officer ("CEO"), such power and duties as may be assigned to Employee from time-to-time by the CEO or the Company's Board of Directors. During the Employment Period (as defined below), Employee shall devote his full attention and time during normal business hours to the business and affairs of the Company commensurate with his position as CTO and, to the extent necessary to discharge the responsibilities assigned to him under this Agreement, shall use his best efforts to carry out such responsibilities faithfully and efficiently.

1.2 Other Activities. During the Employment Period, other than for those business activities already in progress as of the date of this Agreement AND provided that these business activities do not compete with the Company's business or interfere with the Employee's ability to perform his obligations under this Agreement, Employee shall not, without the prior written consent of the Board of Directors, (i) engage in business activities (whether or not for compensation) other than on behalf of the Company or its affiliates, whether as an agent, consultant, employee, officer, director or trustee, or (ii) make a personal investment in any company that competes with the business conducted by the Company (other than as a passive investor owning less than a 2% interest in an entity whose securities are regularly traded in a public market). In addition to and without limiting the foregoing, during the Employment Period and for a period of two (2) years thereafter, Employee shall not, without the prior written consent of the Board of Directors, manage, operate, participate in, be employed by, act as, perform consulting services for or otherwise be connected in any manner with any person, firm, corporation or enterprise which is at the time engaged in a business which is directly or indirectly in competition with the business of the Company or any of its affiliates.

1.3 Office Location. The Company's offices where Employee shall render his services (except for travel from time to time on Company business) shall be in the greater San Diego, California area.

2. COMPENSATION AND BENEFITS

2.1 Base Salary. Employee's base salary during the Employment Period shall be $175,000 per year, which shall be paid in arrears in equal semi-monthly installments, net of all withholdings therefrom required under United States, state and local laws and any other applicable withholdings (such as, but not limited to, Employee's portion of medical and dental insurance premiums, if applicable). During the Employment Period, the base salary shall be reviewed by the Board of Directors for increase at least annually; provided, however, that any such increase shall be at the sole discretion of the Board of Directors. Any increase in the base salary shall not limit or reduce any other obligation of the Company under this Agreement.

2.2 **Vacation and Holidays.** Employee shall be entitled to a paid vacation and such other paid holidays and paid time off as shall be in accordance with standard Company policies from time to time. In addition, Employee shall be entitled to up to two weeks unpaid vacation to be taken at such times with the Company's approval as shall not significantly interfere with the Company's business or operations.

2.3 **Fringe Benefits.** During the Employment Period, the Company at its expense shall provide Employee with all fringe benefits made available by the Company to its other employees, subject to Employee's satisfaction of any applicable eligibility requirements Employee shall cooperate with the Company (including submitting to any required physical examination) in connection with its obtaining any additional key man or other life insurance coverage on Employee.

2.4 **Business Expenses.** The Company shall pay or reimburse Employee for all travel, entertainment, promotional and similar expenditures reasonably incurred by Employee in accordance with Company's then-current travel and out-of-pocket expense policies in the performance of Employee's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly to the CEO for approval with appropriate supporting documentation in accordance with Company's policies.

3. TERM AND TERMINATION

3.1 **Term and Renewal.** Employee shall be employed by Company under this Agreement from the date hereof through June 30, 2006 (the "Employment Period"), unless earlier terminated pursuant to Section 3.2; provided, however, that the Employment Period shall be automatically extended for an additional year beyond the current Employment Period upon the terms and conditions set forth herein, unless either party gives the other party written notice at least one (1) year prior to the end of the Employment Period. For purposes of this Agreement, references to the "Employment Period" shall include the original term and any extension thereof.

3.2 **Termination of Employment.**

(a) **Death or Disability.** Employee's employment shall terminate automatically upon Employee's death. The Company shall be entitled to terminate Employee's employment at any time for "Disability," which shall mean Employee is unable to perform the essential functions of Employee's position under this Agreement with or without reasonable accommodation. Termination of Employee's employment by the Company for Disability in accordance with this Section shall be communicated to Employee by notice, and shall become effective 30 days thereafter, unless Employee becomes able to perform the essential functions of his position with or without reasonable accommodation before the effective date of such termination. In the event of termination pursuant to this subsection, the Company shall pay Employee's base salary then in effect through the effective date of termination.

(b) **By the Company for Cause.** The Company may terminate Employee's employment under this Agreement at any time for Cause. "Cause" means: (i) a material breach of any provision of this Agreement by Employee that Employee does not cure within 30 days after the Company delivers written demand to Employee specifying the breach to be cured, (ii) Employee's persistent and willful neglect or willful breach of his duties under this Agreement, or refusal to carry out the reasonable and proper written instructions of the CEO and/or Board of Directors provided Employee is given written notice of the foregoing and has 30 days thereafter to cure, (iii) Employee's taking any intentional action designed to damage the interests of the Company or any of its affiliates; (iv) Employee's conviction of a felony or any crime involving moral turpitude, or (v) any act of fraud, disloyalty, larceny, misappropriation of funds, embezzlement or any other act that is harmful, damaging or disparaging to the Company. Termination of employment by the Company for Cause shall be communicated by giving Employee written notice of termination, setting forth in reasonable detail the specific conduct of

Employee that constitutes Cause and the specific provision(s) of this Agreement on which the Company relies. Termination for Cause shall be effective upon the giving of notice or, if Employee's conduct is subject to cure, his failure to cure within the requisite 30 day time period, whichever occurs last. In the event of termination pursuant to this subsection, the Company shall pay Employee's base salary then in effect through the effective date of termination.

(c) By Employee for Good Reason. Employee may voluntarily terminate his employment for Good Reason. "Good Reason" means (i) any action taken by the Company that results in a significant diminution in Employee's responsibilities, authority or status, other than an isolated and inadvertent action that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from Employee; (ii) any change by the Company of the office location except as specified in Section 1.3 above; or (iii) any material failure by the Company to comply with any provision of Section 2 of this Agreement, other than an isolated and inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Employee. Termination of employment by Employee for Good Reason shall be communicated by giving the Company written notice of the termination, setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provision(s) of this Agreement on which the Employee relies. A termination of employment by the Employee for Good Reason shall be effective on the tenth business day following the date when the notice is given or, if the Company is permitted to remedy its action or failure, its failure to cure within the requisite time period, whichever occurs last. In the event of Employee's termination for Good Reason pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination unless (i) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay Employee his base salary then in effect through the effective date of termination.

(d) By Company Without Cause. The Company may terminate Employee's employment under this Agreement at any time without Cause. In the event of such termination without Cause pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination unless (i) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in a lump sum on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay a lump sum payment in accordance with the Company's then existing severance policy, but in no event less than two months of Employee's base salary then in effect.

3.3 Survival. The covenants and obligations in Section 1.2 and Article 4 shall survive termination of Employee's employment with the Company, regardless of who causes the termination and under what circumstances.

4. PROPRIETARY INFORMATION

4.1 Proprietary Information. Employee understands that in the course of his employment by the Company, he has in the past and will in the future receive Proprietary Information (as defined below) concerning the businesses or operations of the Company, which the Company desires to protect. Employee acknowledges that the Company has invested money and resources in procuring, developing and/or maintaining its Proprietary Information, and that such Proprietary Information has substantial economic value to the Company and is considered by the Company to be confidential, proprietary, trade secret information. Employee agrees that, at all times during his employment and thereafter, he will hold in strictest confidence and will not disclose, use or publish any of the Proprietary Information, except as such disclosure, use or publication may be required in connection with his work for the Company, or unless the Board of Directors expressly authorizes in writing such disclosure, use or publication in advance. The term "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company that has been identified and maintained as confidential by the Company or reasonably should be understood by Employee to be confidential, including, without limitation, any (i) products, processes, techniques, know-how, designs, software, drawings, formulas, methods, developmental or experimental work, technical data, reports, research, trade secrets, ideas, inventions, improvements and discoveries (hereinafter collectively referred to as "Inventions"); (ii) information regarding plans for research and development, new programs and products, marketing and selling, business plans, budgets and financial statements, licenses, prices and costs, and information regarding suppliers and customers, including customer lists and files; and (iii) information regarding the skills and compensation of other employees of the Company. Notwithstanding the foregoing, Employee is free, at all times, to use information which is generally known in the trade or industry, and which is not gained as a result of a breach of this Agreement (or breach of any other confidentiality agreement(s) with the Company or any third parties), or independently developed using his own general skill, knowledge, know-how and experience to whatever extent and in whichever way he wishes to the extent it is not Proprietary Information or Third Party Information.

4.2 Third Party Information. Employee understands that the Company has received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and at all times thereafter, Employee shall hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with his work for the Company, Third Party Information unless expressly authorized in writing by the Board of Directors in advance. Notwithstanding the foregoing, Employee is free, at all times, to use information which is generally known in the trade or industry, and which is not gained as a result of a breach of this Agreement (or breach of any other confidentiality agreement(s) with the Company or any third parties), or independently developed using his own general skill, knowledge, know-how and experience to whatever extent and in whichever way he wishes to the extent it is not Proprietary Information or Third Party Information.

4.3 Assignment of Inventions. Employee hereby assigns and agrees to assign in the future (when any such Inventions or Proprietary Rights are first reduced to practice or first fixed in a tangible medium, as applicable) to the Company, without further compensation to Employee, all of his right, title and interest in and to any and all Inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by Employee, either alone or jointly with others, during his employment by the Company. Employee also agrees to assign all of his right, title and interest in and to any particular Invention, developed at any time prior to two years after the termination date of the Employee and in the reasonable opinion of the Company, that it relates to the Company's business to the Company or to a third party as directed by the Company, including without limitation the United States government or any of its

agencies, as directed by the Company. For purposes of the Agreement, the term "Proprietary Rights" shall mean all trade secret, patent, copyright, and other intellectual property rights throughout the world. Pursuant to Division 3, Chapter 2, Article 3.5, Section 2872 of the California Labor Code, the foregoing shall not apply to any Invention of the type described in Section 2870 of the California Labor Code, copies of which sections are attached hereto. Employee hereby acknowledges that he has reviewed the notification on Exhibit A (Limited Exclusion Notification) and agrees that his signature acknowledges receipt of the notification.

4.4 Disclosure of Inventions. During the Employment Period, Employee promptly shall disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by him, either alone or jointly with others. In addition, Employee shall promptly disclose to the Company all patent applications filed by him or on his behalf prior to termination of his employment with the Company. For a period of one (1) year following termination of his employment with the Company, Employee shall promptly disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by him, either alone or jointly with others, and all patent applications (collectively, the "Materials") filed by him or on his behalf, which Inventions or patent applications directly relate to the business of the Company at the time of termination or within three (3) years prior thereto. Employee shall assign all rights, title and interest in and to the Materials to the Company.

4.5 Works Made for Hire. Employee acknowledges that all original works of authorship which are made by him (solely or jointly with others) within the scope of his employment and which are protectable by copyright are "works made for hire," pursuant to the United States Copyright Act (17 U.S.C. § 101 *et seq.),* and are solely the property of the Company.

4.6 Maintenance of Records. Employee agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Proprietary Information developed by him and all Inventions made by him during the Employment Period, which records shall be available to and remain the sole property of the Company at all times.

4.7 Access to Records. Upon termination of his employment with the Company, Employee shall deliver to the Company any and all drawings, notes, sketches, memoranda, specifications, devices, formulas and documents, together with all copies thereof, and any other material containing or disclosing any Inventions, Third Party Information or Proprietary Information of the Company. Employee further agrees that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

4.8 Further Assurances. Whenever requested to do so by the Company, Employee promptly shall execute any and all applications, assignments and other instruments, and perform all such other acts, which the Company may deem necessary to apply for, obtain and maintain letters patent, copyrights or trademarks of the United States or any foreign country, or to otherwise perfect, maintain and protect the Company's interest in all Inventions, Materials and other Proprietary Rights. These obligations shall survive any termination of this Agreement and any termination of Employee's employment with the Company. In the event the Company is unable for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified above, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney in fact, which appointment is coupled with an interest, to act for and on Employee's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this paragraph with the same legal force and effect as if executed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature

whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

4.9 Unfair Competition. The parties hereto acknowledge that certain activities of Employee after Employee leaves the employ of the Company, including but not limited to use of the Company's customer lists, trade secrets or other Proprietary Information, or solicitation of the Company's customers or employees, are deemed to be unfair competition under California law. Accordingly, Employee, after leaving the employ of the Company, will not:

divulge or make personal use of Company's Proprietary Information;

(a) Employee, for a period of two (2) years, directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage the Company's relationships with any of its customers by soliciting or encouraging others to solicit any of the Company's customers for the purpose of diverting or taking away business from the Company; or

(b) Employee, for a period of two (2) years, directly or indirectly, separately or in association with others, solicit or attempt to hire any of the Company's employees, or cause others to solicit or encourage any of the Company's employees to discontinue their employment with the Company.

4.10 Equitable Remedies. Employee acknowledges and agrees that: (i) the purpose of the foregoing covenants is to protect the trade secrets, Proprietary Rights and other Proprietary Information of the Company; (ii) because of the nature of the business in which Company is engaged and because of the nature of the Proprietary Information to which Employee has access, it would be impractical and excessively difficult to determine the actual damages of the Company and its affiliates in the event Employee breaches any of the covenants of this Article 4; and (iii) remedies at law (such as monetary damages) for any breach of Employee's obligations under this Article 4 would be inadequate. Employee therefore agrees and consents that if Employee commits any breach under this Article 4 or threatens to commit any such breach, the Company shall have the right (in addition to, and not in lien of, any other right or remedy that may be available to it to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage.

4.11 Notification of New Employer. In the event that Employee leaves the employ of the Company, Employee hereby consents to the notification of his new employer of Employee's rights and obligations under this Agreement.

5. MISCELLANEOUS

5.1 Amendment and Waiver. This Agreement shall not be amended except in a writing signed by Employee and approved by the Board of Directors of the Company. No waiver or consent shall be binding except in a writing signed by the party making the waiver or giving the consent. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent except to the extent specifically set forth in writing.

5.2 Notices. Any notice or communication required or permitted to be given under this Agreement shall be in writing (which may include telecopier or other similar form of reproduction followed by a mailed hard copy, but not electronic mail) and shall be deemed given when actually received or, if earlier, five days after deposit in the United States mail by certified or express mail, return receipt requested, postage prepaid or one business day after deposit with Federal Express, UPS, Mt, or

other comparable delivery service for delivery by prepaid, overnight courier service, in each case addressed to party as set forth below or to such other address as such party may request by written notice:

The Company:	PACIFIC DATAVISION C/O Mr. John Pescatore 1515 Broad Street Bloomfield, NJ 07003 Fax: 973-771-0300
Employee:	Mr. Frank Creede _____ _____ _____

A party may change his or its address for purposes of this Section 5.2 by giving the other party written notice of the new address in the manner set forth above.

5.3 **Governing Law.** The rights and obligations of the parties shall be governed by, and this Agreement shall be construed and enforced in accordance with, the laws of the State of California, excluding any rules that would apply the law of another jurisdiction.

5.4 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements between you and the Company with regard to the subject matter hereof. Employee matters that are not specifically addressed in this Agreement shall be covered by the Company's standard employee policies as the same are in effect from time to time.

5.5 **Construction.** Article, Section and subsection titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any of its provisions. Unless otherwise stated, any reference contained in this Agreement to an Article, Section or subsection refers to the provisions of this Agreement.

5.6 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

5.7 **Nondelegable Duties.** This is a contract for Employee's personal services. The duties of Employee under this Agreement are personal and may not be delegated or transferred in any manner whatsoever, and shall not be subject to involuntary alienation, assignment or transfer by Employee during his life.

5.8 **Dispute Resolution.** Any controversy between the parties arising out of, or relating in any manner to, this Agreement, shall on the written request of a party delivered to the other, be submitted to final and binding arbitration. Such arbitration shall be conducted by the American Arbitration Association in a mutually agreed venue, in accordance with it rules governing arbitration of commercial disputes in effect at the time. There shall be one arbitrator who shall have full authority to grant all forms of relief including prejudgment remedies and equitable relief. All orders and awards of the arbitrator shall be enforceable by any court having jurisdiction. The prevailing party in the arbitration shall have the right to recover costs and reasonable attorney's fees.

5.9 **Severability.** If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first referenced above.

"COMPANY"

PACIFIC DATAVISION

By: /s/ Peter Lasenksy

EMPLOYEE

/s/ Frank Creede

Frank Creede

Exhibit A

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY you in accordance with Section 2872 of the California Labor Code that the foregoing Agreement between you and the Company does not require you to assign or offer to assign to the Company any invention that you developed entirely on your own time without using the Company's equipment, supplies, facilities or trade secret information except for those inventions that either:

I. Relate at the time of conception or reduction to practice of the invention to the Company's business, or actual or demonstrably anticipated research or development of the Company;

2. Result from any work performed by you for the Company.

To the extent a provision in the foregoing Agreement purports to require you to assign an invention otherwise excluded from the preceding paragraph, the provision is against the public policy of this state and is unenforceable.

This limited exclusion does not apply to any patent or invention covered by a contract between the Company and the United States or any of its agencies requiring full title to such patent or invention to be in the United States.

I ACKNOWLEDGE RECEIPT of a copy of this notification.

By: /s/ Frank Creede

EMPLOYEE

Date: 8/4/2004

Witnessed by: /s/ Peter Lasenksy

EXHIBIT 10.13

AMENDMENT TO EMPLOYMENT AGREEMENT
AS OF JUNE 1, 2012

WHEREAS, Frank Creede ("Employee") and Pacific DataVision, Inc. (the "Company") executed an Employment Agreement (the "Agreement") dated July 1, 2004;

WHEREAS, the parties desire to amend certain terms of such Agreement effective on the above written date

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 3.2 **Termination of Employment** is hereby amended as follows:

- Sub section (c) is deleted in its entirety and replaced by the new sub section (c) below:

(c) **By Employee for Good Reason.** Employee may voluntarily terminate his employment for Good Reason. "Good Reason" means (i) any action taken by the Company that results in a significant diminution in Employee's responsibilities, authority or status, other than an isolated and inadvertent action that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from Employee; (ii) any change by the Company of the office location except as specified in Section 1.3 above; or (iii) any material failure by the Company to comply with any provision of Section 2 of this Agreement, other than: (1) a decrease in compensation paid that resulted from a determination by both the President/CEO and the Chairman that the Company's financial condition is such that the reduction in compensation is essential to preserve the Company and that such percentage reduction is applied all Corporate Officers; or (2) an isolated and inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Employee. Termination of employment by Employee for Good Reason shall be communicated by giving the Company written notice of the termination, setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provision(s) of this Agreement on which the Employee relies. A termination of employment by the Employee for Good Reason shall be effective on the tenth business day following the date when the notice is given or, if the Company is permitted to remedy its action or failure, its failure to cure within the requisite time period, whichever occurs last. In the event of Employee's termination for Good Reason pursuant to this subsection, the Company shall pay Employee a severance payment equal to twelve months of Employee's base salary then in effect on the date of termination payable in twelve equal monthly payments commencing on the effective date of the termination unless (i) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is in the final year of the Employment Period, then the Company shall pay six months of Employee's base salary then in effect on the date of termination payable in six equal monthly payments commencing on the effective date of the termination or (ii) the automatic extension of the Employment Period under section 3.1 of this Agreement has not occurred and the employee is beyond the final year of the Employment Period then the Company shall pay Employee his base salary then in effect through the effective date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to EMPLOYMENT AGREEMENT as of the date first above written.

PACIFIC DATAVISION

By: /s/ John Pescatore

Name: John C. Pescatore

Title: President and Chief Executive Officer

EMPLOYEE

/s/ Frank Creede

Frank Creede

EXHIBIT 10.18

Execution Version

TRUST AGREEMENT

This Trust Agreement (this "**Agreement**") is made as of June 10, 2014 by and among Pacific DataVision, Inc. (the "**Company**"), each investor (collectively, the "**Investors**") in the Private Placement (as hereinafter defined), T. Clark Akers, an independent director on the Company's board of directors (the "**Investor Rep**") and Wilmington Trust, National Association, as trustee (the "**Trustee**").

WHEREAS, on May 13, 2014, the Company entered into an Asset Purchase Agreement by and among FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc., each a wholly-owned indirect subsidiary of Sprint Corporation, collectively, "**Sprint**," and the Company (such agreement, as amended, the "**Sprint APA**") pursuant to which the Company will purchase licenses to use spectrum in the 900 MHz. range (the "**Spectrum Assets**") from Sprint for the purchase price of $90 million in cash and $10 million in shares of the Company's common stock valued at the offering price in the Private Placement (as hereinafter defined);

WHEREAS, the Company's acquisition of the Spectrum Assets is essential to the Company's ability to provide the Company's push-to-talk dispatch services;

WHEREAS, certain shares of the Company's common stock are being offered to "qualified institutional buyers," as defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to a private placement to "accredited investors," as defined in Rule 501 under the Securities Act, for the purpose of funding the purchase price under the Sprint APA and for other purposes (the "**Private Placement**");

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE I
THE TRUST

1.1 General.

(a) The Company hereby appoints Wilmington Trust, National Association, as the trustee of the Trust, and Wilmington Trust, National Association, hereby accepts such appointment by the Company.

(b) The Trust shall be known as "PDV Investor Trust", in which name the Trustee may conduct the business of the Trust.

(c) The Company hereby assigns, transfers, conveys and sets over to the Trust all of its right title and interest in its right to receive 96% of the proceeds from the Private Placement net of the 7% initial purchaser's discount and placement fee (the "**Agent Fees**") payable to FBR Capital Markets & Co., as initial purchaser and placement agent (the "**Private**

Placement Proceeds"). In addition, the Company hereby assigns, transfers, conveys and sets over to the Trust the right to receive 96% of the proceeds from the additional allotment in connection with the Private Placement net of the related Agent Fees, if any (the "**Additional Allotment Proceeds**"). Such rights to receive the Private Placement Proceeds and the Additional Allotment Proceeds, and when received, the Private Placement Proceeds, together with the Additional Allotment Proceeds, if any, constitute the trust assets (the "**Trust Assets**").

(d) Any funds transferred to the Trust, whether from the escrow account (the "**Escrow Account**") established pursuant to the Escrow Agreement, dated as of June 10, 2014 by and among the Company, FBR and Wilmington Trust, National Association, in its capacity as escrow agent (the "**Escrow Agreement**"), the return of the Deposit (as hereinafter defined) or otherwise shall become part of the Trust Assets.

(e) The closing date of the Private Placement is June 10, 2014 (the "**Private Placement Date**").

(f) The Trustee hereby acknowledges receipt of the Trust Assets on behalf of the Trust.

(g) The Trustee hereby declares that it will hold the Trust Assets in trust for the Company and the Investors as provided herein. Upon the formation of the Trust, the Company and the Investors shall be beneficiaries and beneficial owners (within the meaning of the Act (as hereinafter defined)) of the Trust. It is the intention of the parties hereto that the Trust created hereby constitute a statutory trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801, et seq. (the "Act") and that this document constitute the governing instrument of the Trust. The Trustee is hereby authorized and directed to execute and file a certificate of trust with the Delaware Secretary of State in the form attached hereto as Annex A.

(h) The Trustee may engage, in the name of the Trust, in the activities of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued in accordance with the terms hereof.

1.2 Purposes.

The purposes of the Trust are to: (i) receive and hold the Trust Assets (as hereinafter defined), including, without limitation, the Deposit (as hereinafter defined), in trust and manage, supervise and administer the Trust Account (as hereinafter defined), each in accordance with this Agreement, (ii) engage in any of the activities described, contemplated or authorized in this Agreement, and (iii) conduct such other activities as it deems necessary or appropriate to accomplish the foregoing or that are incidental thereto or connected therewith. The Trust shall not engage in any activity other than the foregoing or other than as required or authorized by applicable law or as required, expressly permitted or authorized by this Agreement. The Trustee hereby agrees, on behalf of the Trust, and is hereby authorized and directed by the Company, to cause the Trust, in accordance with the express terms of this Agreement, to take such actions as it shall be directed in writing from time to time by the Company and the Investor Rep, as applicable.

1.3 Disbursements from the Trust Account:

(a) The Trust shall transfer $13.5 million from the Trust Assets (the "**Deposit**") by wire transfer to Sprint Corporation to the account below promptly after receipt of the Trust Assets, but in no event later than 10 calendar days after the Private Placement Date.

Bank name:	Bank of America, N.A.
Bank Location:	Charlotte, NC
ABA #	026 009 593
Account Name	Nextel Communications Inc.
Account #	3752205626

(b) If the Trustee receives written notice from the Company in the form of Exhibit A (the "**APA Closing Notice**") on or prior to 150 days after the Private Placement Date (the "**Closing Deadline**") that it will consummate the transactions contemplated by the Sprint APA on or prior to the Closing Deadline, the Trustee shall promptly, but no later than 5 calendar days, transfer the remaining balance of the Trust Assets to the Company by wire transfer to the account below.

Bank name	JP Morgan Chase Bank, N.A.
ABA #	021 000 021
Account Name	Pacific DataVision, Inc.
Account #	739229346

(c) If the Trustee does not receive an APA Closing Notice on or prior to the Closing Deadline, then the Trustee shall promptly, but no later than 5 calendar days, transfer the remaining balance of the Trust Assets by wire transfer to Continental Stock Transfer & Trust Company (in its capacity as transfer agent, the "**Transfer Agent**") for the for ratable distribution to the Investors; provided that no Extension Notice (as hereinafter defined) has been timely received. The remaining balance shall be transferred to the Transfer Agent at the account below.

Bank name	JP Morgan Chase 4 Metrotech Center 14th Floor Brooklyn, New York 11245
ABA #	021000021
Account Name	Continental Stock Transfer & Trust Company
Account #	475581997
SWIFT:	CHASUS33

(d) If the Trustee has not received an APA Closing Notice from the Company on or prior to the Closing Deadline, but has received a notice in the form of Exhibit B from the Investor Rep on or prior to the Closing Deadline that the Investors have granted an extension of time to consummate the Sprint APA (an "**Extension Notice**"), then the Trustee shall retain the Trust Assets until the expiration of the extended closing deadline set forth in the Extension Notice. Upon expiration of such extension, the Trustee shall distribute the Trust Assets to the Company in order to consummate the Sprint APA, if the Trustee has received an APA Closing Notice prior to the extended closing deadline, and shall distribute the Trust Assets to the Transfer Agent for the ratable benefit of the Investors, if the Trustee has not received an APA Closing Notice prior to the extended closing deadline. There is no limitation to the number of Extension Notices that may be given.

(e) Upon return of the Deposit to the Trustee by Sprint, the Trustee shall transfer the Deposit by wire transfer to the Transfer Agent for the ratable distribution of the Investors. Funds transferred to the Trust Account from the Escrow Account shall be transferred to the Transfer Agent for the ratable distribution to the Investors. All transfers to the Transfer Agent shall be made to the account set forth in clause (c) unless otherwise specified in writing no less than 2 calendar days prior to the transfer.

ARTICLE II
AGREEMENTS AND COVENANTS OF TRUSTEE

2.1 Subject to the terms and conditions of this Agreement, including Article V hereof, the Trustee hereby agrees and covenants to:

(a) Hold the Trust Assets, including, without limitation, the Deposit, in trust in accordance with the terms of this Agreement in a segregated trust account (the "**Trust Account**") established by the Trustee;

(b) Manage, supervise and administer the Trust Account subject to the terms and conditions set forth herein;

(c) In a timely manner, upon the written instruction of the Company and/or the Investor Rep invest and reinvest the Trust Assets in money market funds that invest in United States Treasury Bonds (any such investments may include funds for which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder servicing agent, custodian or subcustodian, subject to customary fees and expenses);

(d) Collect and receive, when due, all principal and income arising from the Trust Assets, which shall become part of the "**Trust Assets**" as such term is used herein;

(e) Promptly notify the Company and the Investor Rep of all communications received by it with respect to the Trust Assets requiring action by the Company and/or the Investor Rep;

(f) Promptly supply any necessary information or documents as may be requested by the Company in connection with the Company's preparation of the tax returns relating to the Trust Assets held in the Trust Account or otherwise relating to the Trust Account;

(g) Participate in any plan or proceeding for protecting or enforcing any right or interest arising from the Trust Assets if, as and when instructed by the Company and the Investor Rep to do so; and

(h) Render to the Company and the Investor Rep monthly written statements of the activities of and amounts in the Trust Account reflecting all receipts and disbursements of the Trust Account.

ARTICLE III
LIMITED DISTRIBUTIONS OF INCOME FROM TRUST ACCOUNT

3.1 Taxes. The Company shall make all necessary filings and payments in respect of taxes on the Trust Assets.

3.2 No Other Distributions. No distributions from the Trust Account shall be permitted other than pursuant to Section 1.3 above.

ARTICLE IV
AGREEMENTS AND COVENANTS OF THE COMPANY

4.1 Instructions.

(a) By the Company. The Company shall give all instructions and notices to the Trustee hereunder in writing, signed by the Company's Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Chief Executive Officer, Chief Financial Officer or other authorized officer.

(b) By the Investors. All instructions given by the Investors to the Trustee shall be given by the Investor Rep in writing, signed by the Investor Rep on behalf of the Investors.

(c) Extension Notices. Any Extension Notice must be received by the Trustee on or before the Closing Deadline, in the form of Exhibit C, specifying the date on which the extension shall terminate and executed by the Investor Rep. All Extension Notices must be in writing. If more than one Extension Notice is timely delivered, the subsequent Extension Notice must be received by the Trustee prior to the expiration of the prior extension.

4.2 Indemnity. The Company shall hold the Trustee harmless and indemnify the Trustee from and against, any and all claims, actions, suits, costs or expenses, including reasonable counsel fees and disbursements, or loss suffered by the Trustee in connection with any claim, action, suit or other proceeding brought against the Trustee involving any claim or demand that in any way arises out of or relates to this Agreement, the services of the Trustee hereunder, or the Trust Assets or any income earned on the Trust Assets, except for expenses and losses resulting from the Trustee's gross negligence, willful misconduct or bad faith. Promptly after the receipt by the Trustee of notice of demand or claim or the commencement of any action, suit or proceeding, pursuant to which the Trustee intends to seek indemnification under this Section 4.2, it shall notify the Company in writing of such claim (hereinafter referred to as the "**Indemnified Claim**"). The Company shall conduct and manage the defense against such

Indemnified Claim; provided that the Company shall keep the Trustee reasonably informed of the status of such Indemnified Claim; and provided further that the Trustee may voluntarily participate in such action at its own cost with its own counsel. The Trustee may not agree to settle any Indemnified Claim without the prior written consent of the Company. The Company shall not, without the prior written consent of the Trustee, effect any settlement of any Indemnified Claim unless such settlement (i) includes an unconditional release of the Trustee from all liability on such Indemnified Claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Trustee. The obligations and rights contained in this Section 4.2 shall survive the termination of this Agreement, including the resignation of the Trustee.

4.3 Fees. The Company shall pay the Trustee an initial acceptance fee, an annual fee and a transaction processing fee for each disbursement made pursuant to Article I as set forth in Annex B hereto, which fees shall be subject to modification by mutual agreement of the parties from time to time. It is expressly understood that said transaction processing fees shall be deducted by the Trustee from disbursements made pursuant hereto. The Trustee shall be entitled to be reimbursed by the Company for its other reasonable expenses hereunder, including the fees and expenses of its counsel it may employ in connection with the exercise and performance of its rights and duties hereunder, upon presentation of appropriate documentation therefor. The Company shall not be responsible for any other fees or charges of the Trustee except as set forth in this Section 4.3 and as may be provided in Section 4.2 hereof (it being expressly understood that the Trust Assets shall not be used to make any payments to the Trustee under such Sections).

ARTICLE V
LIMITATIONS OF LIABILITY

5.1 The Trustee shall have no responsibility or liability for:

(a) Taking any action with respect to the Trust Assets, other than as directed in Articles I and II hereof and the Trustee shall have no liability to any party except for liability arising out of its own gross negligence, willful misconduct or bad faith;

(b) Instituting any proceeding for the collection of any principal and income arising from, or institute, appear in or defend any proceeding of any kind with respect to, any of the Trust Assets unless and until it shall have received written instructions from the Company given as provided herein to do so and the Company shall have advanced or guaranteed to it funds sufficient to pay any expenses incident thereto;

(c) Refunding any depreciation in principal of any Trust Asset;

(d) Assuming that the authority of any person designated by the Company or the Investor Rep to give instructions hereunder shall not be continuing unless provided otherwise in such designation or unless the Company or the Investor Rep shall have delivered a written revocation of such authority to the Trustee;

(e) Any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith and in the exercise of its own best judgment, except for its gross

negligence, willful misconduct or bad faith, whether to the other parties hereto or anyone else. The Trustee may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by the Trustee), statement, instrument, report or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) that is believed by the Trustee, in good faith, to be genuine and to be signed or presented by the proper person or persons. The Trustee shall not be bound by any notice or demand, or any waiver, modification, termination or rescission of this Agreement or any of the terms hereof, unless evidenced by a written instrument delivered to the Trustee signed by the proper party or parties and, if the duties or rights of the Trustee are affected, unless it shall give its prior written consent thereto;

(f) Verifying the correctness of the information set forth in the offering document or any other action taken by it is as contemplated by the offering document;

(g) Preparing, executing and filing tax reports, income or other tax returns and paying any taxes with respect to income and activities relating to the Trust Account, regardless of whether such tax is payable by the Trust Account or the Company, including, but not limited to, income tax obligations; and

(h) (i) Special, consequential or punitive damages, (ii) acts or omissions of securities depositories, brokers or dealers; or (iii) any losses due to forces beyond the control of the Trustee, including without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

5.2 The Trustee:

(a) shall have no duties or obligations other than those specifically set forth in this Agreement and no duties or obligations shall be implied;

(b) shall be able to consult with counsel satisfactory to it (including counsel for the other parties hereto) and the advice or opinion of such counsel, after consultation with the Company and its counsel, shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel;

(c) shall not, notwithstanding any provision of this Agreement to the contrary, be required to make any payment hereunder until sufficient funds are actually received by the Trustee; and

(d) shall not be required to take any action hereunder if the Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Trustee or is contrary to the terms hereof or is otherwise contrary to law.

In carrying out its duties and obligations hereunder, the Trustee may do so by or through agents or affiliates disclosed or referenced in any account agreement signed by the

Company or otherwise reasonably acceptable to the Company. The rights, privileges, protections, immunities and benefits provided to the Trustee hereunder (including its right to be indemnified) are extended to, and shall be enforceable by, any such agents or affiliates.

ARTICLE VI
WAIVER OF CLAIMS AGAINST TRUST ACCOUNT

6.1 The Trustee hereby waives any and all right, title, interest or claim of any kind ("**Claim**") that the Trustee may have against the Trust Assets held in the Trust Account, and hereby agrees not to seek recourse, reimbursement, set-off, payment or satisfaction for any Claim against the Trust Account for any reason whatsoever. In the event that the Trustee has a claim against the Company under this Agreement, including, without limitation, Section 4.2, the Trustee will pursue such claim solely against the Company and not against the Trust Assets held in the Trust Account.

ARTICLE VII
TERMINATION

7.1 The Trust shall dissolve, be wound up and liquidated and terminate in accordance with Section 3808 of the Act upon the joint written direction of the Company and the Investor Rep. Upon the winding up of the Trust and payment of all liabilities in accordance with Section 3808 of the Act, the Company or the Investor Rep shall instruct the Trustee to cause the Certificate of Trust to be cancelled by filing a certificate of cancellation with the Secretary of State in accordance with the provisions of Section 3810 of the Act. Thereupon, the Trust and this Trust Agreement (other than the rights, benefits, protections, privileges and immunities of the Trustee) shall terminate.

ARTICLE VIII
MISCELLANEOUS

8.1 Procedures for Funds Transfer. The Company, the Investor Rep and the Trustee each acknowledge that the Trustee will follow the security procedures set forth below with respect to funds transferred from the Trust Account. Upon receipt of written instructions, the Trustee will confirm such instructions with an Authorized Individual for the Company at an Authorized Telephone Number listed on Exhibit B attached hereto or an Authorized Individual for the Investor Rep, as applicable. The Company, the Investor Rep and the Trustee will each restrict access to confidential information relating to such security procedures to authorized persons. Each party must notify the other parties immediately if it has reason to believe unauthorized persons may have obtained access to such information, or of any change in its authorized personnel. In executing funds transfers, the Trustee will rely upon account numbers or other identifying numbers of a beneficiary, beneficiary's bank or intermediary bank, rather than names. The Trustee shall not be liable for any loss, liability or expense resulting from any error in an account number or other identifying number, provided it has accurately transmitted the numbers provided.

8.2 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to conflicts

of law principles that would result in the application of the substantive laws of another jurisdiction.

8.3 Counterparts. This Agreement may be executed in several original or facsimile counterparts, each one of which shall constitute an original, and together shall constitute but one instrument.

8.4 Complete Agreement; Amendment; Waiver of Trial by Jury. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof. This Agreement or any provision hereof may only be changed, amended, waived or modified by a writing signed by each of the parties hereto; provided, however, that no such change, amendment, waiver or modification may be made without the prior written consent of the Representatives. As to any claim, cross-claim or counterclaim in any way relating to this Agreement, each party waives the right to trial by jury.

8.5 Consent to Jurisdiction. The parties hereto consent to the non-exclusive jurisdiction and venue of any state or federal court located in the State of Delaware, for purposes of resolving any disputes hereunder. The parties hereto also submit to the non-exclusive jurisdiction and venue of any state or federal court located in the State of Delaware, and hereby waive any objection to such jurisdiction and that such courts represent and inconvenient forum.

8.6 Notice; Consent; Requests. Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and shall be sent by express mail or similar private courier service, by certified mail (return receipt requested), by hand delivery, by facsimile transmission or by e-mail:

if to the Trustee, to:

Wilmington Trust, National Association
Rodney Square North
1100 N. Market Street
Wilmington, Delaware 19890
Attn: Corporate Trust Administration
Fax No.: (302) 636-4149

with a copy to:

Richards, Layton & Finger, P.A.
One Rodney Square
920 King Street
Wilmington, DE 19801
Attn: Doneene Keemer Damon, Esq.
Fax No.: (302) 498-7526

if to the Company, to:

Pacific DataVision, Inc.
100 Hamilton Plaza
Paterson, New Jersey 07505
Attention: Secretary
E-mail: apoh@pdvcorp.com

with a copy to:

DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, CA 92121
Attn: Jeffrey Thacker
Fax No.: 858-638-5128

if to the Investor Rep, to:

FBR Capital Markets & Co.
1001 Nineteenth Street North
Arlington, Virginia 22209
Attn: Gavin Beske, Esq.
Fax No.: 703-469-1012

with a copy to:

Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036
Attn: Howard B. Adler, Esq.
Fax No.: 202-530-9526

8.7 Assignability. This Agreement may not be assigned by the Trustee without the prior written consent of the Company and the Investor Rep.

8.8 Beneficiaries. Each of the Company and the Trustee hereby acknowledges that the Investors are beneficiaries of this Agreement.

8.9 Multiple Capacities. It is expressly acknowledged, agreed and consented to that Wilmington Trust, National Association will be acting in the capacities of escrow agent pursuant to the Escrow Agreement and the Trustee of the Trust. Wilmington Trust, National Association may, in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wilmington Trust, National Association of express duties set forth in this Trust Agreement or the Escrow Agreement in any of such capacities, all of which defenses, claims or assertions are

hereby expressly waived by the Parties and any beneficiary of the trust or any other person having rights pursuant hereto or thereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: /s/ David B. Young
Name: David B. Young
Title: Vice President

PACIFIC DATAVISION, INC.

By: /s/ John Pescatore
Name: John Pescatore
Title: C.E.O

INVESTOR REPRESENTATIVE
ON BEHALF OF THE INVESTORS

By: /s/ T. Clark Akers
Name: T. Clark Akers
Title: Director

[Signature Page to Trust Agreement]

ANNEX A

CERTIFICATE OF TRUST
OF
PDV INVESTOR TRUST

THIS Certificate of Trust of PDV Investor Trust (the "Trust") is being duly executed and filed by the undersigned, as trustee, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. § 3801 et seq.) (the "Act").

1. Name. The name of the statutory trust formed hereby is PDV Investor Trust.

2. Delaware Trustee. The name and address of the trustee of the Trust with a principal place of business in the State of Delaware are Wilmington Trust, National Association, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attn: Corporate Trust Administration.

3. Effective Date. This Certificate of Trust shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Trust in accordance with Section 3811(a) of the Act.

WILMINGTON TRUST, NATIONAL
ASSOCIATION, not in its individual
capacity but solely as trustee

By: _____
Name:
Title:

ANNEX B

Fees

You receive quality, cost-effective service from Wilmington Trust. Our staff is qualified and proficient, drawing on years of experience in the field. Because we value your business, we are committed to bringing you personal and professional service.

Delaware Statutory Trustee:

Acceptance Fee:	**$3,000.00**
Annual Administration Fee:	**$5,000.00**

The administration fee encompasses the day to day discharge of our duties and responsibilities in acting as Delaware Trustee under the Trust Agreement. The Annual Administration Fee is due and payable annually in advance, with the first year's payment due at the time of closing.

Contingent Trust And Registrar Services:

Acceptance Fee: **$5,000.00**

The Acceptance Fee covers the acceptance of the trust created by and pursuant to the Trust Agreement, and includes the review of the agreement and related documents and coordination with deal parties in closing the transaction. The Acceptance Fee is a one-time fee and is payable at closing of the trust agreement appointment.

Annual Administration Fee: **$65,000.00**

The administration fee encompasses the day to day discharge of our duties and responsibilities in acting as Trustee and Registrar under the Trust Agreement. The Annual Administration Fee is due and payable annually in advance, with the first year's payment due at the time of closing.

Transaction Fees:

Payments by Check	$10.00 per Check
Wire Transfers	$25.00 per Wire
Stop Payment or Return Check Forwarding	$15.00 per Check
Assignment/Transfer Fee (payable by transferring investors)	$500.00 each

Escrow Agent Annual Administration Fee: **$3,000.00**

This is an annual fee payable at the time of closing, and annually thereafter, for ordinary services of the Escrow Agent, including normal account administration and monthly statement generation. This charge is not prorated for the first year or any subsequent year.

Terms and Conditions

— Should this transaction fail to close through no fault of Wilmington Trust, its Acceptance Fees, as well as counsel fees and out-of-pocket expenses incurred by Wilmington Trust may be due and payable.
— Wilmington Trust reserves the right to revisit this fee schedule upon a complete review of all governing documents.

Out-of-Pocket Expenses:

In addition to the fees listed above, all reasonable out-of-pocket expenses will be billed and payable at cost. Out-of-pocket expenses include, but are not limited to, reasonable fees of counsel, reasonable travel expenses of bank officers to attend closing or other meetings, and postage or copy expenses.

EXHIBIT A

Form of Transaction Approval Notice

Wilmington Trust, National Association
Rodney Square North
1100 N. Market Street
Wilmington, Delaware 19890
Attn: Corporate Trust Administration
Fax No.: (302) 636-4149

Reference is made to that certain Trust Agreement dated June 10, 2014 (the "Trust Agreement), by and among Pacific DataVision, Inc., the Investor Rep on behalf of the Investors, and you. Capitalized terms used herein and not defined herein have the meanings given to such terms in the Trust Agreement. Pursuant to the Trust Agreement you are hereby notified that the closing will occur on or prior to 150 days after the Closing Deadline. In furtherance of the Trust Agreement, you are hereby directed, no later than 5 calendar days after receipt of this notice, to transfer the Trust Assets to the Company in accordance with the wire instructions set forth in Section 1.3(b) of the Trust Agreement.

PACIFIC DATAVISION, INC.

By: _____
Name:
Title:

EXHIBIT B

Form of Extension Notice

Wilmington Trust, National Association
Rodney Square North
1100 N. Market Street
Wilmington, Delaware 19890
Attn: Corporate Trust Administration
Fax No.: (302) 636-4149

Reference is made to that certain Trust Agreement dated June 10, 2014 (the "Trust Agreement), by and among Pacific DataVision, Inc., the Investor Rep on behalf of the Investors, and you. Capitalized terms used herein and not defined herein have the meanings given to such terms in the Trust Agreement. The Investors have granted an extension of time to consummate the Sprint APA until _____ ____ , 20____ (the "Extended Deadline"). In furtherance of the Trust Agreement, if you do not receive an APA Closing Notice prior to the Extended Deadline, you are hereby directed to distribute the Trust Assets to the Transfer Agent for the ratable benefit of the Investors. In the event that you receive a subsequent Extension Notice in accordance with the Trust Agreement setting forth a new extended deadline, this Extension Notice shall be superseded and shall be of no further force or effect.

INVESTOR REPRESENTATIVE ON
BEHALF OF INVESTORS

By: _____
Name:
Title:

EXHIBIT C

Form of Termination Letter

Wilmington Trust, National Association
Rodney Square North
1100 N. Market Street
Wilmington, Delaware 19890
Attn: Corporate Trust Administration
Fax No.: (302) 636-4149

Reference is made to that certain Trust Agreement dated June 10, 2014 (the "Trust Agreement"), by and among Pacific DataVision, Inc., the Investor Rep on behalf of the Investors, and you. Capitalized terms used herein and not defined herein have the meanings given to such terms in the Trust Agreement. You are hereby directed to commence liquidation of the Trust Account and to distribute the Trust Assets to the Transfer Agent for the ratable benefit of the Investors.

PACIFIC DATAVISION, INC.

By: _____
Name:
Title:

INVESTOR REPRESENTATIVE ON
BEHALF OF THE INVESTORS

By: _____
Name:
Title:

EXHIBIT 10.19

Execution Version

ESCROW AGREEMENT

This Escrow Agreement dated this 10th day of June, 2014 (this "Escrow Agreement"), is entered into by and among PACIFIC DATAVISION, INC., a Delaware corporation (the "Company"), and FBR CAPITAL MARKETS & CO., a Delaware corporation ("FBR", and together with the Company, the "Parties," and individually, a "Party"), and WILMINGTON TRUST, National Association, as escrow agent ("Escrow Agent").

RECITALS

A. WHEREAS, the Company and FBR have entered into that certain Purchase/Placement Agreement dated as of June 3, 2014, as amended (the "Purchase/Placement Agreement") pursuant to which (i) the Company will offer 9,500,000 shares of common stock (the "Initial Offering), par value $0.0001 per share (the "Common Stock") at an offering price of $20.00 per share, (x) to FBR, as the initial purchaser, for resale to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") or to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act, and (y) to "accredited investors" as defined in Rule 501 of the Securities Act directly by the Company, with FBR acting as placement agent on behalf of the Company; and (ii) FBR has the option to purchase up to an additional 1,425,000 shares of Common Stock from the Company to cover any additional allotments, if any, made by FBR (the "Additional Allotment Option," together with the Initial Offering, the "Offering");

B. WHEREAS, the Company and FBR propose to engage the Escrow Agent for the purpose of receiving, depositing and holding in an escrow account thirteen fourteenths of FBR's initial purchaser's discount and placement fees (the "Escrow Amount") in connection with the Offering until such time as such funds are to be released to FBR or the Company, in accordance with this Escrow Agreement;

C. WHEREAS, the Parties agree to place in escrow the Escrow Amount and the Escrow Agent agrees to hold and distribute the Escrow Amount in accordance with the terms of this Escrow Agreement.

In consideration of the promises and agreements of the Parties and the Escrow Agent and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1
ESCROW DEPOSIT

Section 1.1 Receipt of Escrow Property. FBR or the Company shall deliver the Escrow Amount to the Escrow Agent by wire transfer of immediately available funds to the escrow account (the "Escrow Account") pursuant to the following wire instruction:

Bank name:	Manufacturers Traders Trust Co
ABA #:	031100092
Account Name:	PDV/FBR Escrow Account
Account #:	108609-000
Beneficiary:	Institutional Client Services

The Escrow Amount, plus all interest, dividends and other distributions, payments and earnings thereon and proceeds thereof received by the Escrow Agent, less any property and/or funds distributed or paid in accordance with this Escrow Agreement, are collectively referred to herein as "Escrow Property," and shall be held by the Escrow Agent in escrow and disbursed in accordance with the terms and provisions of this Escrow Agreement.

Section 1.2 Investments.

(a) The Escrow Agent shall invest the Escrow Property, including any and all interest and investment income, in accordance with the written instructions provided to the Escrow Agent and signed by FBR. In the absence of written investment instructions from FBR, the Escrow Agent shall deposit and invest the Escrow Property, including any and all interest and investment income, in the M&T Bank Corporate Deposit Account, which is further described herein on **Exhibit A**. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.5 of this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

Section 1.3 Disbursements.

(a) The Escrow Agent will hold all Escrow Property until authorized in writing by joint instructions from both the Company and FBR to disburse the Escrow Property in accordance with such written instructions, a sample of which is attached as **Annex A** (the "Instruction Letter").

(b) Immediately after the closing date of the transactions contemplated by the Asset Purchase Agreement, dated May 13, 2014, by and among FCI 900, Inc., ACI 900, Inc., Machine License Holding, LLC, Nextel WIP License Corp., and Nextel License Holdings 1, Inc., each a wholly-owned indirect subsidiary of Sprint Corporation, and the Company, as amended (the "Spectrum Closing Date"), the Company and FBR will deliver joint instructions to the Escrow

Agent pursuant to Section 1.3(a) hereof instructing the Escrow Agent to transfer the Escrow Property to FBR. Upon receipt thereof, the Escrow Agent shall immediately transfer the Escrow Property by Federal Funds wire to the following bank account (or such other account designated by FBR as set forth in the Instruction Letter):

Bank of New York
New York, NY
FBR Capital Markets & Co. – Main Account
Account # 8900653116
ABA # 021000018

(c) If (i) the Spectrum Closing Date does not occur within 150 days after the closing date of the Initial Offering (the "Redemption Deadline"), or (ii) in the event that the holders of a majority of the Common Stock sold in the Offering agree to extend the Redemption Deadline, the Spectrum Closing Date does not occur by the extended deadline as approved by the holders, then the Company and FBR will deliver joint instructions pursuant to Section 1.3(a) to the Escrow Agent, instructing the Escrow Agent to transfer the Escrow Property to PDV Investor Trust (the "Trust") for distribution pursuant to the terms of the Trust's governing instrument. Upon receipt thereof, the Escrow Agent shall immediately transfer the Escrow Property by Federal Funds wire to an account of the Trust designated by the Parties as set forth in the Instruction Letter.

(d) In the event that Escrow Agent makes any payment to any other party pursuant to this Escrow Agreement and for any reason such payment (or any portion thereof) is required to be returned to the Escrow Account or another party or is subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a receiver, trustee or other party under any bankruptcy or insolvency law, other federal or state law, common law or equitable doctrine, then the recipient shall repay to the Escrow Agent upon written request the amount so paid to it.

(e) The Escrow Agent shall, in its reasonable discretion, comply with judgments or orders issued or process entered by any court with respect to the Escrow Property, including without limitation any attachment, levy or garnishment, without any obligation to determine such court's jurisdiction in the matter and in accordance with its normal business practices. If the Escrow Agent complies with any such judgment, order or process, then it shall not be liable to any Party or any other person by reason of such compliance, regardless of the final disposition of any such judgment, order or process.

(f) In the event that a Party gives funds transfer instructions (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the authorized person or persons of such Party, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated provided no call back is required if the Escrow Agent receives original instructions. The persons and telephone numbers for callbacks may be changed only in a writing actually received and acknowledged by the Escrow Agent. The Parties agree that such security procedure is commercially reasonable.

(g) The Escrow Agent will furnish monthly statements to the Parties setting forth the activity in the Escrow Account.

Section 1.4 Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by FBR, whether or not such income was disbursed during such calendar year.

(b) In connection with the execution of this Escrow Agreement, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may reasonably request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Company and FBR shall, on a joint and several basis, indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.4(c) is in addition to the indemnification provided in Section 3.1 and shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 1.5 Termination. Upon the disbursement of all of the Escrow Property in accordance with this Agreement, including any interest and investment earnings thereon, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Sections 1.4(c), 3.1 and 3.2 hereof shall survive termination.

ARTICLE 2
DUTIES OF THE ESCROW AGENT

Section 2.1 Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow

Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2 Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees, which agents, representatives, attorneys, custodians, and/or nominees shall be subject to the duties and obligations of the Escrow Agent under this Escrow Agreement.

Section 2.3 Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of **Exhibit B-1** and **Exhibit B-2** to this Escrow Agreement.

Section 2.4 Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.5 No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 3
PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1 Indemnification. The Company and FBR hereby agree, on a joint and several basis, to indemnify Escrow Agent, its directors, officers, employees and agents (collectively, the "Indemnified Parties"), and hold the Indemnified Parties harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, including, without limitation, attorney's fees and expenses, which an Indemnified Party may incur or with which it may be threatened by reason of acting as or on behalf of Escrow Agent under this Escrow Agreement or arising out of the existence of the

Escrow Account, except to the extent the same shall be caused by Escrow Agent's gross negligence or willful misconduct. The Escrow Agent shall have a first lien against the Escrow Account to secure the obligations of the Parties hereunder. The terms of this paragraph shall survive termination of this Escrow Agreement.

Section 3.2 Limitation of Liability. THE ESCROW AGENT NOT SHALL BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3 Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, effective thirty (30) days after the delivery of such notice, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal, effective ten (10) days after the delivery of such notice, along with payment of all fees and expenses to which it is entitled through the date of termination. The Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent or a party as shall be jointly appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following the delivery of such notice of resignation, or ten (10) days following the delivery of such notice of removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4 Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as **Exhibit C**, which compensation shall be paid by the Company. The fee agreed upon for the services rendered hereunder is intended as compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its reasonable discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien

upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Property. The terms of this paragraph shall survive termination of this Agreement.

Section 3.5 Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6 Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7 Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its reasonable discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of

or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.9 Compliance with Legal Orders. Escrow Agent shall be entitled to consult with legal counsel in the event that a question or dispute arises with regard to the construction of any of the provisions hereof, and shall incur no liability and shall be fully protected in acting in accordance with the advice or opinion of such counsel.

Section 3.10 Disagreements. In the event the Escrow Agent receives conflicting instructions hereunder, Escrow Agent shall be fully protected in refraining from acting until such conflict is resolved to the satisfaction of the Escrow Agent.

Section 3.11 No Financial Obligation. The Escrow Agent shall not be required to use its own funds in the performance of any of its obligations or duties or the exercise of any of its rights or powers, and shall not be required to take any action which, in the Escrow Agent's reasonable judgment, could involve it in expense or liability unless furnished with security and indemnity which it deems, in its reasonable discretion, to be satisfactory.

ARTICLE 4
MISCELLANEOUS

Section 4.1 Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the parties shall be binding unless and until written notice of such assignment shall be delivered to the other parties and shall require the prior written consent of the other parties (such consent not to be unreasonably withheld).

Section 4.2 Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3 Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt or by e-mail with return receipt requested, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If notice is given to a party, it shall be

given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to FBR:
1001 19th Street, North
Arlington, Virginia 22209
Attention: Compliance Department
Facsimile: 703-469-1012

If to the Company:

100 Hamilton Plaza, Lobby Floor
Paterson, New Jersey 07505
Attention: Secretary
Email: apoh@pdvcorp.com

If to the Escrow Agent:

Wilmington Trust, National Association
Institutional Client Services
650 Town Center Drive, Suite 600
Costa Mesa, CA 92626
Attention: Corporate Trust Department
Facsimile: (714) 384-4151

Section 4.4 Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Section 4.5 Entire Agreement. This Escrow Agreement sets forth the entire agreement and understanding of the Parties and the Escrow Agent related to the Escrow Property.

Section 4.6 Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7 Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8 Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9 Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 4.10 Waiver of Jury Trial. **EACH OF THE PARTIES HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN RESOLVING ANY CLAIM OR COUNTERCLAIM RELATING TO OR ARISING OUT OF THIS ESCROW AGREEMENT**.

Section 4.11 Waiver. It is expressly acknowledge, agreed and consented to that Wilmington Trust, National Association will be acting in the capacities of Escrow Agent and the trustee of the Trust. Wilmington Trust, National Association may, in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wilmington Trust, National Association of express duties set forth in this Escrow Agreement or the Trust's governing instrument in any of such capacities, all of which defenses, claims or assertions are hereby expressly waived by the Parties any other person having rights pursuant hereto or thereto.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

PACIFIC DATA VISION, INC.

By: /S/ John C. Pescatore
Name: John C. Pescatore
Title: President and CEO

FBR CAPITAL MARKETS & CO.

By: /s/ Bradley Wright
Name: Bradley Wright
Title: EVO, CFO & Chief Administrative Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Escrow Agent

By: /s/ Jeanie Mar
Name: Jeanie Mar
Title: Vice President

EXHIBIT A

Agency and Custody Account Direction
For Cash Balances
Manufacturers & Traders Trust Company Deposit Accounts

Direction to use the following Manufacturers & Traders Trust Company (also known as M&T Bank) Deposit Account for Cash Balances for the escrow account or accounts (the "**Account**") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as I(we) shall direct further in writing from time to time, all cash in the Account in the following deposit account of M&T Bank:

M&T Corporate Deposit Account

I(We) acknowledge that amounts on deposit in the M&T Bank Deposit Account are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of $250,000 per depositor, per issued bank. This includes principal and accrued interest up to a total of $250,000.

I(We) acknowledge that I(we) have full power to direct investments of the Account(s).

I(We) understand that I(we) may change this direction at any time and that it shall continue in effect until revoked or modified by me(us) by written notice to you.

Authorized Representative	Authorized Representative
Date	Date

EXHIBIT B-1

Certificate as to Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Pacific DataVision, Inc. and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-1 is attached, on behalf of Pacific DataVision, Inc.

Name / Title / Phone Number	Specimen Signature
John C. Pescatore Name	/s/ John C. Pescatore Signature
President and Chief Executive Officer Title	
973-771-0797 Phone Number	
Brian McAuley Name	/s/ Brian McAuley Signature
Chairman of the Board Title	
973-771-0300 Phone Number	
Richard Rohmann Name	/s/ Richard Rohmann Signature
Secretary and Executive Vice President Title	
858-518-4872 Phone Number	

EXHIBIT B-2

Certificate as to Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of FBR Capital Markets & Co. and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-2 is attached, on behalf of FBR Capital Markets & Co.

Name / Title / Phone Number	Specimen Signature
/s/ Brad Wright Name	/s/ Brad Wright Signature
EVP, CFO & Chief Administrative Officer Title	
703-312-9678 Phone Number	
/s/ Robert J. Kiernan Name	/s/ Robert J. Kiernan Signature
SVP, Controller Title	
(703) 469-1120 Phone Number	

Annex C
Wilmington Trust, National Association
Fees of Escrow Agent
Pacific Data Vision, Inc./FBR Capital Markets & Co.

Acceptance Fee: **Waived**
Initial Fees as they relate to Wilmington Trust acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s).

Escrow Agent Annual Administration Fee: **$3,000.00**
For ordinary administrative services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties. **Annual Fee payable at time of Escrow Agreement execution**.

Wilmington Trust's bid is based on the following assumptions:

- Number of Escrow Accounts to be established: One (1) per transaction
- Number of Deposits/Withdrawals: Not more than Twenty Five (25)
- Est. Term: TBD
- Investment in M&T Deposit Products
- All funds received and distributed will be to a domestic or an approved foreign entity
- Tax reporting is included for up to five (5) entities. Additional reporting-$25/per reporting
- If the account doesn't open within three (3) months of the date shown below, this fee schedule will be deemed null and void.

Out-of-Pocket Expenses: **Billed at Cost**
We only charge for out-of-pocket expenses in response to specific tasks assigned by the client. Therefore, we cannot anticipate what specific out-of -pocket items will be needed or what corresponding expenses will be incurred. Possible expenses would be, but not limited to, express mail and messenger charges, travel expenses to attend closing or other meeting. There are no charges for indirect out-of-pocket expenses.

*In the event of extraordinary circumstances requiring administrative time beyond the scope of typical account duties set forth in the Instrument and supporting documents relevant to our appointment, including but not limited to, default and/or bankruptcy administration, additional charges shall accrue.

If this transaction does not close, Wilmington Trust, N.A. reserves the right to be paid its Initial Fee, if any, and outside counsel's fees and expenses. Out-of-pocket expenses, including our attorney's fees and expenses (if any), in connection with closing, post-closing matters and terminations will be billed separately and are due upon receipt of the invoice.

All fees are non-refundable and will not be prorated in the event of an early termination. Once the fees are agreed to in writing, we agree that any changes to those fees will also be in writing. You will be notified at least 30 days in advance of any general fee increase, following 3 years after the initial closing date. The fees as quoted and the acceptance of our duties as Trustee are subject to satisfactory review and acceptance of all related financing documents by the Trustee and our counsel. Our fees may also be adjusted at any time if there is a significant change in our responsibilities under the governing documents. In the event the financing structure is modified prior to closing, we reserve the right to review and renegotiate our fees accordingly.

Annex A

JOINT INSTRUCTION LETTER

Account_____

_____, 2014

Wilmington Trust, National Association
Corporate Institutional Client Services
650 Town Center Drive, Suite 600
Costa Mesa, CA 92626
Attention: Corporate Trust Department
Facsimile: (714) 384-4151

Dear Sir or Madam:

Reference is hereby made to that certain Escrow Agreement (the "Escrow Agreement"), dated as of June 10, 2014, by and among Pacific DataVision, Inc. FBR Capital Markets & Co., and Wilmington Trust, National Association, as escrow agent (the "Escrow Agent"). The undersigned parties hereby direct, pursuant to Section 1.3(a) of the Escrow Agreement, that the Escrow Agent deliver the Escrow Property to _____:

[Account Information to be provided]

PACIFIC DATAVISION, INC.

By:_____
Name:
Title:

FBR CAPITAL MARKETS & CO.

By:_____
Name:
Title:

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated August 7, 2014, with respect to the financial statements of Pacific DataVision, Inc., which report expressed an unqualified opinion, and is contained in this Registration Statement. We consent to the use of the aforementioned report in this Registration Statement, and to the use of our name as it appears under the caption "Experts."

/s/ PKF O'Connor Davies
a division of O'Connor Davies, LLP
New York, New York
August 7, 2014