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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 31, 2018**

pdvWireless, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-36827**	**33-0745043**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3 Garret Mountain Plaza **Suite 401** **Woodland Park, NJ**	**07424**
(Address of principal executive offices)	(Zip Code)

(973) 771-0300
Registrant’s telephone number, including area code

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12(b))

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 1.01. Entry into a Material Definitive Agreement.

In June 2018, pdvWireless, Inc. (the "Company") announced its plan to restructure its business to align and focus its business priorities on its spectrum initiatives aimed at modernizing and realigning the 900 MHz band to increase its usability and capacity, including for the future deployment of broadband and other advanced technologies and services. In furtherance of this restructuring plan, the Company has entered into agreements to transfer its TeamConnect and pdvConnect businesses. Specifically, the Company entered into: (i) a Customer Acquisition and Resale Agreement (the "A BEEP Agreement") with A BEEP LLC ("A BEEP") on January 2, 2019, (ii) a Customer Acquisition, Resale and Licensing Agreement (the "Goosetown Agreement") with Goosetown Enterprises, Inc. ("Goosetown") on January 2, 2019 and (iii) a memorandum of understanding with the principals of Goosetown (the "MOU") on December 31, 2018. The Company will continue operating trunked facilities in the markets in which customers are being transferred and in other markets in which it holds FCC licenses.

A BEEP Agreement

Under the A BEEP Agreement, A BEEP acquired: (i) the Company's TeamConnect customers located in the Atlanta, Chicago, Dallas, Houston and Phoenix metropolitan markets (the "A BEEP Purchased Customers"), (ii) the right to access the Company's TeamConnect Metro and Campus systems (the "MotoTRBO Systems") and (iii) the right to resell access to the Company's MotoTRBO Systems pursuant to a Mobile Virtual Network Operation arrangement (the "MVNO Arrangement").

A BEEP agreed to provide customer care, billing and collection services for all A BEEP Purchased Customers. The Company will initially continue to provide these services for a 90-day period to help facilitate the transitioning of the A BEEP Purchased Customers. Additionally, the Company will pay all site lease, backhaul and utility costs required to operate the MotoTRBO Systems for a two (2)-year period.

A BEEP has also agreed to pay the Company a certain portion of the recurring revenues received from the A BEEP Purchased Customers ranging from 100% to 20% during the term of the A BEEP Agreement. Additionally, A BEEP has agreed to pay the Company a portion of recurring revenues from the Company's customers who utilize A BEEP's push-to-talk Diga-Talk Plus application ("Diga-Talk Plus") ranging from 35% to 15% for a period of 48 months.

Additionally, the A BEEP Agreement provides audit rights to the Company, mutual indemnification obligations and certain liability waivers. The A BEEP Agreement has a term of no longer than 72-months, unless terminated earlier by one of the parties as a result of a material breach by the other party.

Goosetown Agreement

Under the Goosetown Agreement, Goosetown acquired: (i) the Company's TeamConnect customers located in the Baltimore/Washington DC, Philadelphia and New York metropolitan markets (the "Goosetown Purchased Customers"), (ii) the right to access the Company's MotoTRBO Systems, (iii) the right to resell access to the Company's MotoTRBO Systems pursuant to a MVNO Arrangement and (iv) a license to sell the TeamConnect Mobile, TeamConnect Hub and TeamConnect for Smart Devices applications (collectively, the "Licensed Applications").

Goosetown agreed to provide customer care, billing and collection services for all Goosetown Purchased Customers. The Company will initially continue to provide these services for a 90-day period to help facilitate the transitioning of the Goosetown Purchased Customers. Additionally, the Company will pay all site lease, backhaul and utility costs required to operate the MotoTRBO Systems for a two (2)-year period.

Goosetown has also agreed to pay the Company a portion of the recurring revenues received from the Goosetown Purchased Customers ranging from 100% to 20% during the term of the Goosetown Agreement. Additionally, Goosetown has agreed to pay the Company 20% of recurring revenues from the Licensed Applications for a period of 48 months.

Additionally, the Goosetown Agreement provides audit rights to the Company, mutual indemnification obligations and certain liability waivers. The Goosetown Agreement has a term of no longer than 72-months, unless terminated earlier by one of the parties as a result of a material breach by the other party.

Memorandum of Understanding

The Company also entered into the MOU with TeamConnect LLC (the "LLC"), an entity formed by the principals of Goosetown (the "Goosetown Principals"). The terms of the MOU provide that the Company will assign the intellectual property rights to its TeamConnect and pdvConnect related applications and software pursuant to the terms of an IP Assignment, Software Support and Development Services Agreement (the "IP Agreement") to the LLC in exchange for a 19.5% ownership interest in the LLC. The Goosetown Principals have agreed to fund the future operations of the LLC, subject to certain limitations.

The LLC will assume the Company's software support and maintenance obligations under the Goosetown and A BEEP Agreements. The LLC will also assume customer care, billing and collection services related to the Company's pdvConnect applications. The Company has agreed to provide transition services to the LLC for a 90-day period to facilitate an orderly transition of the customer care, billing and collection services.

The Company is obligated to pay the LLC a monthly service fee for 24 months for its assumption of the Company's support obligations under the Goosetown and A BEEP Agreements. The LLC is obligated to pay the Company a certain portion of the billed revenue received by the LLC from pdvConnect customers for a 48-month period.

The foregoing descriptions of the Goosetown Agreement, the A BEEP Agreement, the MOU and the IP Agreement do not purport to be complete and are subject to, and qualified in their entirety by, the complete text of these agreements. The Company intends to submit a confidential treatment request with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934 for certain portions of each of these agreements. Each of the Goosetown Agreement, the A BEEP Agreement, the MOU and the IP Agreement, in redacted form subject to such confidential treatment request, will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2018.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As described in Item 1.01 above, the Company has entered into agreements to transfer its TeamConnect and pdvConnect businesses. The unaudited pro forma consolidated financial information of the Company, giving effect to the transfers, is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.05 Costs Associated with Exit or Disposal Activities.

In connection with transferring the TeamConnect and pdvConnect businesses, on December 31, 2018, the Board of Directors of the Company approved the following cost-reduction and restructuring actions: (i) the elimination of approximately 20 positions, or 30% of the Company's workforce and (ii) the closure of the Company's office in San Diego, California. The Company expects to record a restructuring charge in the fourth quarter of fiscal 2019 of approximately $0.9 million, primarily related to employee severance, retention and benefit costs and rent for the San Diego office. An additional $0.2 million of restructuring charges will be incurred during fiscal 2020 and 2021 related to employee retention costs. The affected employees have received notification and are eligible to receive severance payments based on their level within the organization and years of service, contingent upon an affected employee's execution (and non-revocation) of a separation agreement, which includes a general release of claims against the Company. Overall, the Company expects that the transfer of its TeamConnect and pdvConnect businesses as described above under Item 1.01 (Entry in a Material Definitive Agreement) and the workforce reduction and office closure will decrease operating costs by approximately $2.1 million on an annualized basis. The actions associated with the cost reduction and restructuring actions are anticipated to be completed by

July 31, 2019. It is anticipated that the related cash payments for severance costs will occur by the end of August 31, 2019.

Forward-Looking Statements

This Item 2.05 contains "forward-looking statements" that are based upon the beliefs of, and assumptions made by, the Company's management, as well as information currently available to management. These forward-looking statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements. These forward-looking statements include statements regarding the expected costs, timing and operational benefits of the Company's transfer of its TeamConnect and pdvConnect businesses and its other cost-reduction and restructuring actions and the financial impact of the Company's transfers and restructuring actions on its future operating costs and financial results. Any forward-looking statements contained herein are based on the Company's current expectations, but are subject to a number of risks and uncertainties that could cause its actual future results to differ materially from its current expectations or those implied by the forward-looking statements. These risks and uncertainties are identified and described in more detail in the Company's filings with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K/A for the fiscal year ended March 31, 2018, filed with the SEC on August 9, 2018. Modifications to those factors and/or additional factors are described in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, filed with the SEC on November 7, 2018. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report. Except as required by applicable law, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results, later events or circumstances or to reflect the occurrence of unanticipated events.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

Unaudited pro forma consolidated financial information of the Company to give effect to the Company's transfer of its TeamConnect and pdvConnect businesses and related cost-reduction and restructuring actions is included as Exhibit 99.1 filed herewith and is incorporated herein by reference. The unaudited pro forma consolidated financial information has been prepared for comparative purposes only and does not purport to be indicative of the future results of operations or financial condition of the Company.

(d) Exhibits.

Exhibit No.	Description
99.1	Unaudited Pro Forma Consolidated Financial Information of the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

	pdvWireless, Inc.
Date: January 7, 2019	/s/ Morgan E. O'Brien
	Morgan E. O'Brien
	Chief Executive Officer

Exhibit Index

Exhibit No.	Description
99.1	Unaudited Pro Forma Consolidated Financial Information of the Company.

PDVWIRELESS, INC.
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following unaudited pro forma consolidated financial statements of pdvWireless, Inc. (the "Company") have been prepared based upon the Company's historical financial statements, as adjusted to show the effect of the transfer of its TeamConnect and pdvConnect businesses and the related restructuring and cost-reduction actions (collectively, the "Business Transfers").

Background of the Business Transfers

The Company entered into: (i) a Customer Acquisition and Resale Agreement (the "A BEEP Agreement") with A BEEP LLC ("A BEEP") on January 2, 2019, (ii) a Customer Acquisition, Resale and Licensing Agreement (the "Goosetown Agreement") with Goosetown Enterprises, Inc. ("Goosetown") on January 2, 2019, and (iii) a memorandum of understanding with the principals of Goosetown (the "MOU") on December 31, 2018. The Company will continue operating trunked facilities in the markets in which customers are being transferred and in other markets in which it holds FCC licenses.

Under the A BEEP and Goosetown Agreements, the Company agreed to: (i) transfer its TeamConnect customers located in the Atlanta, Chicago, Dallas, Houston and Phoenix metropolitan markets to A BEEP, (ii) transfer its TeamConnect customers located in the Baltimore/Washington DC, Philadelphia and New York metropolitan markets to Goosetown, (iii) provide A BEEP and Goosetown with access to its TeamConnect Metro and Campus Systems (the, "MotoTRBO Systems"), and (iv) grant A BEEP and Goosetown the right to resell access to the MotoTRBO Systems pursuant to separate Mobile Virtual Network Operation arrangements (the "MVNO Arrangements"). The Company also granted Goosetown a license to sell the TeamConnect Mobile, TeamConnect Hub and TeamConnect for Smart Devices applications (the "Licensed Applications").

Under these agreements, A BEEP and Goosetown agreed to provide customer care, billing and collection services for their respective acquired customers. The Company will initially continue to provide these services for a 90-day period to help facilitate the transitioning of the acquired customers. Additionally, the Company will continue to maintain and pay all site lease, backhaul and utility costs required to operate the MotoTRBO Systems for a two (2)-year period. A BEEP and Goosetown each agreed to pay the Company a certain portion of the recurring revenue they receive from the acquired customers ranging from 100% to 20% during the terms of the Agreements. Additionally, A BEEP has agreed to pay the Company a portion of recurring revenue from the Company's customers who utilize A BEEP's push-to-talk Diga-Talk Plus application service ranging from 35% to 15% for a period of 48 months. Goosetown has agreed to pay the Company 20% of recurring revenues from the Licensed Applications for a period of 48 months. In consideration for the customers and assets being transferred to A BEEP and Goosetown, 20% of the billed revenue is accounted for in Other income/(expense) in the below unaudited pro forma consolidated income statements.

Under the terms of the MOU, the Company agreed to assign the intellectual property rights to its TeamConnect and pdvConnect applications to TeamConnect LLC (the "LCC"), a new entity formed by the principals of Goosetown, in exchange for a 19.5% ownership interest in the LLC. The Goosetown principals have agreed to fund the future operations of the LLC, subject to certain limitations. The LLC will assume the Company's software support and maintenance obligations under the Goosetown and A BEEP Agreements. The LLC will also assume customer care, billing and collection services related to the Company's pdvConnect application. The Company has agreed to provide transition services to the LLC for a 90-day period to facilitate an orderly transition of the customer care, billing and collection services. The Company is also obligated to pay the LLC a monthly services fee for 24 months for its assumption of the Company's support obligations under the Goosetown and A BEEP Agreements. In consideration for the transferred assets and pdvConnect customers, the LLC is obligated to pay the Company a certain portion of the billed revenue received by the LLC from pdvConnect customers for a 48-month period. This payment is accounted for in Other income/(expense) in the below unaudited pro forma consolidated income statements.

In connection with the Business Transfers, on December 31, 2018, the Board of Directors of the Company approved the following restructuring and cost-reduction actions: (i) the elimination of approximately 20 positions, or 30% of the Company’s workforce, and (ii) and the closure of the Company’s office in San Diego, California.

Basis of Presentation

To provide a better understanding of the impact of the Business Transfers, the following unaudited pro forma consolidated financial information is presented to reflect how the Business Transfers might have affected the historical financial statements had the Business Transfers been consummated at an earlier date.

The unaudited pro forma consolidated statement of operations for the year ended March 31, 2018 is derived from the audited consolidated financial statements of the Company for the year ended March 31, 2018 and the adjustments and assumptions described below. The unaudited pro forma consolidated statement of operations for the six months ended September 30, 2018 and the unaudited pro forma consolidated balance sheet as of September 30, 2018 are based on the Company’s unaudited consolidated financial statements as of and for the six months ended September 30, 2018 and the adjustments and assumptions described below.

The unaudited pro forma consolidated financial information should be read in conjunction with the historical consolidated financial statements of the Company filed with the Securities and Exchange Commission in the Company’s Annual Report on Form 10-K/A for the year ended March 31, 2018 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2018.

The unaudited pro forma consolidated statements of operations for the year ended March 31, 2018 and for the six-month period ended September 30, 2018 have been prepared to give effect to the Business Transfers as if they occurred on April 1, 2017. Certain estimates and judgments were made in preparing the pro forma adjustments as discussed in the notes below. As a result of these adjustments, the pro forma consolidated statements of operations represent only an estimate of the Company’s results giving effect to the Business Transfers.

The unaudited pro forma consolidated balance sheet has been prepared to give effect to the Business Transfers as if they occurred on September 30, 2018. The unaudited pro forma consolidated balance sheet does not purport to reflect the actual transaction or financial position of the Company.

The unaudited pro forma financial information is based on assumptions and include adjustments as explained in the notes to the unaudited pro forma condensed consolidated financial statements. Certain information (including substantial footnotes disclosures) included in the Company’s annual and quarterly historical financial statements have been excluded in these unaudited pro forma consolidated financial statements. The unaudited pro forma financial information is for informational purposes only and is not necessarily indicative of future results or of the results of operations of the Company that would have occurred had the Business Transfers been consummated as of the dates indicated.

PDVWIRELESS, INC.

Unaudited Pro Forma Consolidated Balance Sheet
As of September 30, 2018
(in thousands, except share and per share data)

ASSETS	Historical	A BEEP and Goosetown Agreements	Notes	MOU	Notes	Pro Forma
Current Assets						
Cash and cash equivalents	$ 85,644	$ —		$ —		$ 85,644
Accounts receivable, net of allowance for doubtful accounts of $137 and $29	978	—		—		978
Inventory	—	—		—		—
Prepaid expenses and other current assets	1,102	(134)	(a)	135	(e)	1,103
Total current assets	**87,724**	**(134)**		135		**87,725**
Property and equipment	11,003	(449)	(b)	(384)	(f)	10,170
Intangible assets	107,542	—		—		107,542
Capitalized patent costs, net	191	—		(191)	(g)	—
Investment in subsidiary	—	—		112	(h)	112
Other assets	828	(153)	(c)	18	(i)	693
Total assets	**$ 207,288**	**$ (736)**		**$ (310)**		**$ 206,242**
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities						
Accounts payable and accrued expenses	$ 5,391	$ —		$ —		$ 5,391
Accounts payable - officers	28	—		—		28
Deferred revenue	804	—		—		804
Total current liabilities	**6,223**	**—**		**—**		**6,223**
Noncurrent liabilities						
Deferred revenue	3,860	—		—		3,860
Other liabilities	3,827	—		—		3,827
Total liabilities	**13,910**	**—**		**—**		**13,910**
Commitments and contingencies						
Stockholders' equity						
Preferred stock, $0.0001 par value per share, 10,000,000 shares authorized and no shares outstanding at September 30, 2018 and March 31, 2018	—	—		—		—
Common stock, $0.0001 par value per share, 100,000,000 shares authorized and 14,573,267 shares issued and outstanding at September 30, 2018 and 14,487,650 shares issued and outstanding at March 31, 2018	1	—		—		1
Additional paid-in capital	343,930	—		—		343,930
Accumulated deficit	(150,553)	(736)	(d)	(310)	(j)	(151,599)
Total stockholders' equity	**193,378**	**(736)**		**(310)**		**192,332**
Total liabilities and stockholders' equity	**$ 207,288**	**$ (736)**		**$ (310)**		**$ 206,242**

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Statements.

PDVWIRELESS, INC.

Unaudited Pro Forma Consolidated Statements of Operations
Six Months Ended September 30, 2018
(In thousands, except share and per share data)

	Historical	A BEEP and Goosetown Agreements	Notes	MOU	Notes	Other Pro Forma Adjustments	Notes	Pro Forma
Operating revenues								
Service revenue	$ 2,642	$ (1,164)	(k)	$ (1,425)	(p)	$ —		$ 53
Spectrum revenue	364	—		—		—		364
Related party revenue	—	167	(l)	—		—		167
Other revenue	688	(688)	(m)	—		—		—
Total operating revenues	3,694	(1,685)		(1,425)		—		584
Cost of revenue								
Sales and service	3,948	(896)	(n)	(317)	(q)	(353)	(u)	2,382
Gross loss	(254)	(789)		(1,108)		353		(1,798)
Operating expenses								
General and administrative	12,155	—		277	(r)	(694)	(v)	11,738
Sales and support	2,495	—		—		(2,495)	(w)	—
Product development	1,211	—		(11)	(s)	(1,131)	(x)	69
Restructuring costs	8,122	—		—				8,122
Impairment of long-lived assets	531	—		—				531
Total operating expenses	24,514	—		266		(4,320)		20,460
Loss from operations	(24,768)	(789)		(1,374)		4,673		(22,258)
Interest expense	—	—		—		—		—
Interest income	686	—		—		—		686
Other income (expense)	—	350	(o)	187	(t)	—		537
Loss before income taxes	(24,082)	(439)		(1,187)		4,673		(21,035)
Income tax expense	—	$ —		—		—		—
Net loss	$ (24,082)	$ (439)		$ (1,187)		$ 4,673		$ (21,035)
Net loss per common share basic and diluted	$ (1.66)	(0.03)		$ (0.08)		$ 0.32		$ (1.45)
Weighted-average common shares used to compute basic and diluted net loss per share	14,501,463	14,501,463		14,501,463		14,501,463		14,501,463

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Statements.

PDVWIRELESS, INC.

Unaudited Pro Forma Consolidated Statements of Operations
Year Ended March 31, 2018
(In thousands, except share and per share data)

	Historical	A BEEP and Goosetown Agreements	Notes	MOU	Notes	Other Pro Forma Adjustments	Notes	Pro Forma
Operating revenues								
Service revenue	$ 4,796	$ (1,677)	(k)	$ (3,020)	(p)	$ —		$ 99
Spectrum revenue	729	—		—		—		729
Related party revenue	—	259	(l)	—		—		259
Other revenue	830	(739)	(m)	—		—		91
Total operating revenues	6,355	(2,157)		(3,020)		—		1,178
Cost of revenue								
Sales and service	7,898	(889)	(n)	(672)	(q)	(1,090)	(u)	5,247
Gross loss	(1,543)	(1,268)		(2,348)		1,090		(4,069)
Operating expenses								
General and administrative	20,864	—		541	(r)	(1,372)	(v)	20,033
Sales and support	6,967	—		—		(6,967)	(w)	—
Product development	2,352	—		(20)	(s)	(1,960)	(x)	372
Total operating expenses	30,183	—		521		(10,299)		20,405
Loss from operations	(31,726)	(1,268)		(2,869)		11,389		(24,474)
Interest expense	(3)	—		—		—		(3)
Interest income	741	—		—		—		741
Other (expense) income	(78)	490	(o)	411	(t)	—		823
Loss before income taxes	(31,066)	(778)		(2,458)		11,389		(22,913)
Income tax expense (benefit)	(6,498)	—		—		—		(6,498)
Net loss	$ (24,568)	$ (778)		$ (2,458)		$ 11,389		$ (16,415)
Net loss per common share basic and diluted	$ (1.70)	$ (0.05)		$ (0.17)		$ 0.79		$ (1.14)
Weighted-average common shares used to compute basic and diluted net loss per share	14,450,715	14,450,715		14,450,715		14,450,715		14,450,715

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Statements.

PDVWIRELESS, INC.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET AND STATEMENT OF OPERATIONS
(Unaudited)

The following is a summary of the pro forma adjustments reflected in the unaudited pro forma consolidated financial statements based on preliminary estimates of the financial impact of the Business Transfers, which may change as additional information is obtained.

(a) Impairment of ASC 606 Contract costs, ($452,000), partially offset by establishing a receivable for customers and long-term radio rentals transferred to A BEEP and Goosetown, $318,000.

(b) Impairment of rental radios assigned to A BEEP and Goosetown.

(c) Impairment of ASC 606 contract costs, ($243,000), partially offset by establishing a receivable for customers and long-term radio rentals transferred to A BEEP and Goosetown, $90,000.

(d) Impact of impairment charges for A BEEP and Goosetown agreements, partially offset by establishment of a receivable.

(e) Establish a receivable for customers and assets transferred to TeamConnect, LLC.

(f) Transfer of certain information technology, (“IT”), equipment to TeamConnect, LLC.

(g) Transfer of patent costs to TeamConnect, LLC.

(h) Represents the Company’s investment in TeamConnect, LLC.

IT Equipment transferred to TeamConnect, LLC	$	384
Patents transferred to TeamConnect, LLC		191
Subtotal		575
19.5% Investment in TeamConnect, LLC	$	112

(i) Establish a receivable for customers and assets transferred to TeamConnect, LLC.

(j) Loss on assets and patents transferred to TeamConnect, LLC, ($463,000), partially offset by establishment of a receivable for transferred customers and assets, $153,000.

(k) Reflects the elimination of revenue related to TeamConnect.

(l) Reflects recurring revenue received from A BEEP and Goosetown.

(m) Reflects the elimination of revenue related to TeamConnect.

(n) Reflects the elimination of cost of revenue related to TeamConnect.

(o) Reflects the consideration received from A BEEP and Goosetown for transferred customers.

(p) Reflects the elimination of pdvConnect revenue.

(q) Reflects the elimination of pdvConnect cost of revenue.

(r) Payment by the Company to TeamConnect, LLC for the monthly service fee partially offset by the elimination of costs for the San Diego office.

(s) Elimination of depreciation for asset transferred to TeamConnect, LLC.

(t) Consideration received for pdvConnect customers and assets transferred to TeamConnect, LLC.

(u) Elimination of employee costs directly related to the support of network systems for TeamConnect and pdvConnect offerings.

(v) Elimination of headcount costs directly related to the agreements with A BEEP and Goosetown and the MOU, as well as the elimination of depreciation for assets transferred to TeamConnect, LLC.

(w) Elimination of sales and marketing costs directly related to the TeamConnect and pdvConnect customers transferred to A BEEP, Goosetown, and TeamConnect, LLC.

(x) Elimination of headcount costs directly related to new product development for TeamConnect and pdvConnect offerings.