

UNITED STATES BANKRUPTCY COURT

Southern DISTRICT OF New York

In Re. Pareteum North America Corp.

§
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§

Case No. 22-10616

Debtor(s)

Lead Case No. 22-10615

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 05/31/2022

Petition Date: 05/15/2022

Months Pending: 1

Industry Classification:

5	1	7	9
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Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

11

Debtor's Full-Time Employees (as of date of order for relief):

11

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☒ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/

Signature of Responsible Party

07/01/2022

Date

Laura W. Thomas

Printed Name of Responsible Party

1185 Avenue of the Americas 2nd Floor New York, NY
10036
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



22106152207010000000000006

Debtor's Name Pareteum North America Corp.

Case No. 22-10616

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	\$8	
b.	Total receipts (net of transfers between accounts)	\$200	\$200
c.	Total disbursements (net of transfers between accounts)	\$52	\$52
d.	Cash balance end of month (a+b-c)	\$156	
e.	Disbursements made by third party for the benefit of the estate	\$0	\$0
f.	Total disbursements for quarterly fee calculation (c+e)	\$52	\$52

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	\$0
b.	Accounts receivable over 90 days outstanding (net of allowance)	\$0
c.	Inventory (Book <input checked="" type="radio"/> Market <input type="radio"/> Other <input type="radio"/> (attach explanation))	\$0
d.	Total current assets	\$156
e.	Total assets	\$1,556,733
f.	Postpetition payables (excluding taxes)	\$192
g.	Postpetition payables past due (excluding taxes)	\$0
h.	Postpetition taxes payable	\$0
i.	Postpetition taxes past due	\$0
j.	Total postpetition debt (f+h)	\$192
k.	Prepetition secured debt	\$0
l.	Prepetition priority debt	\$0
m.	Prepetition unsecured debt	\$32,534,862
n.	Total liabilities (debt) (j+k+l+m)	\$32,535,054
o.	Ending equity/net worth (e-n)	\$-30,978,320

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	Cumulative
a.	Gross income/sales (net of returns and allowances)	\$0	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c.	Gross profit (a-b)	\$0	
d.	Selling expenses	\$0	
e.	General and administrative expenses	\$109,433	
f.	Other expenses	\$0	
g.	Depreciation and/or amortization (not included in 4b)	\$0	
h.	Interest	\$0	
i.	Taxes (local, state, and federal)	\$0	
j.	Reorganization items	\$0	
k.	Profit (loss)	\$-109,433	\$-109,433

Debtor's Name Pareteum North America Corp.

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Part 5: Professional Fees and Expenses

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i						
	ii						
	iii						
	iv						
	v						
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	vii						
	viii						
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UST Form 11-MOR (12/01/2021)

Debtor's Name Pareteum North America Corp.

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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
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Debtor's Name Pareteum North America Corp.

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c.	All professional fees and expenses (debtor & committees)						

Part 6: Postpetition Taxes**Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c.	Postpetition employer payroll taxes accrued	\$0	\$0
d.	Postpetition employer payroll taxes paid	\$4,273	\$4,273
e.	Postpetition property taxes paid	\$0	\$0
f.	Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g.	Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☐ No ☒
- If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
- General liability insurance? Yes ☐ No ☒
- If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☐ No ☒
- k. Has a disclosure statement been filed with the court? Yes ☐ No ☒
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Debtor's Name Pareteum North America Corp.

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Part 8: Individual Chapter 11 Debtors (Only)

- | | | |
|--|-------|-----|
| a. Gross income (receipts) from salary and wages | _____ | \$0 |
| b. Gross income (receipts) from self-employment | _____ | \$0 |
| c. Gross income from all other sources | _____ | \$0 |
| d. Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. Payroll deductions | _____ | \$0 |
| f. Self-employment related expenses | _____ | \$0 |
| g. Living expenses | _____ | \$0 |
| h. All other expenses | _____ | \$0 |
| i. Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/

Signature of Responsible Party

Interim CFO

Title

Laura W. Thomas

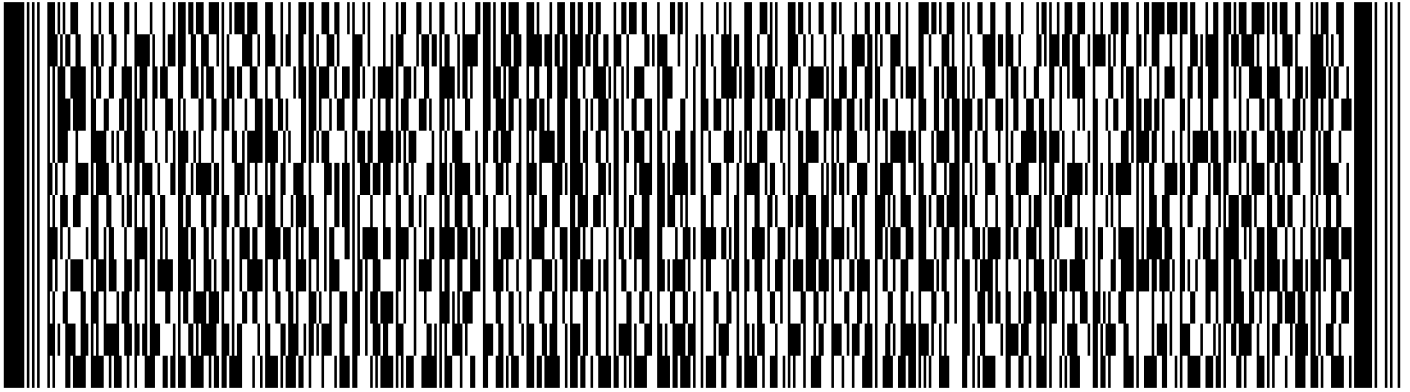
Printed Name of Responsible Party

07/01/2022

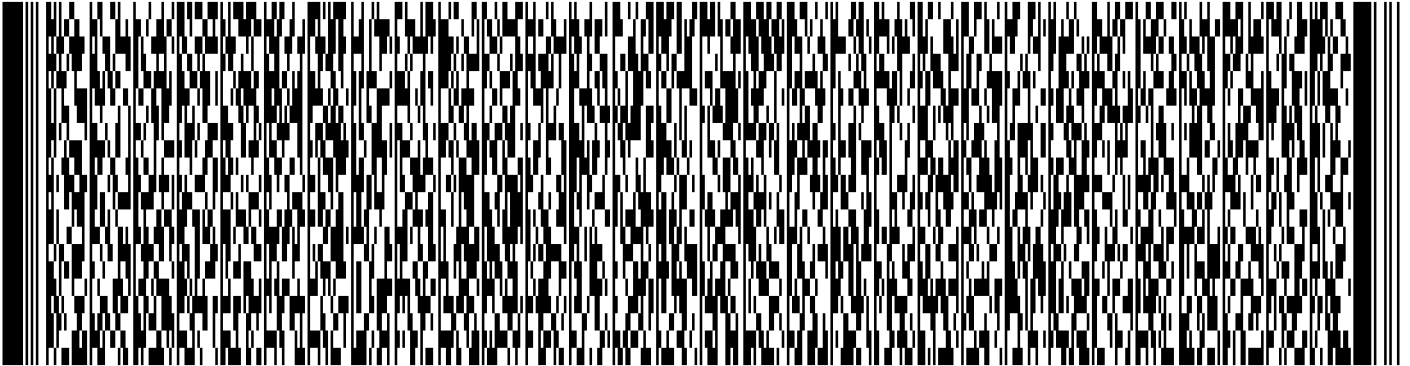
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Debtor's Name Pareteum North America Corp.

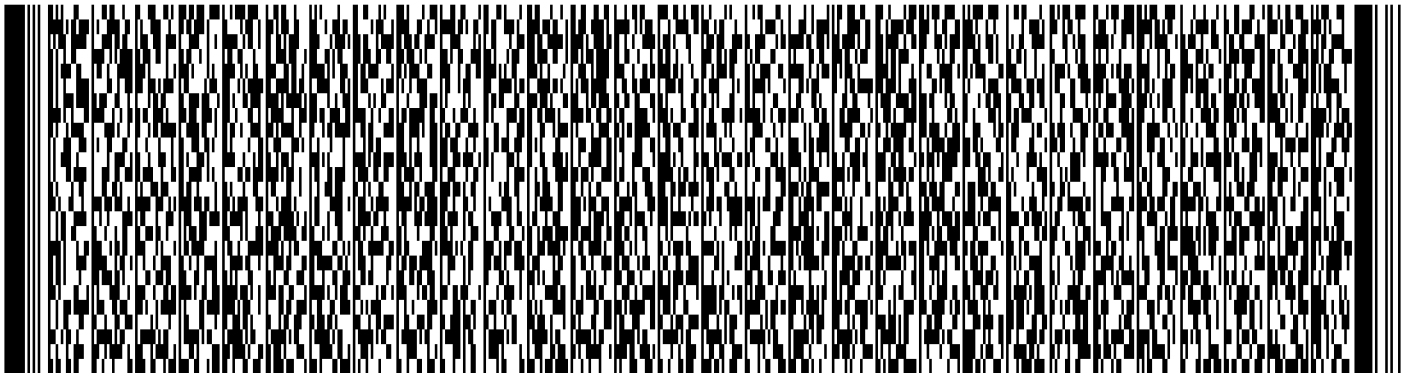
Case No. 22-10616



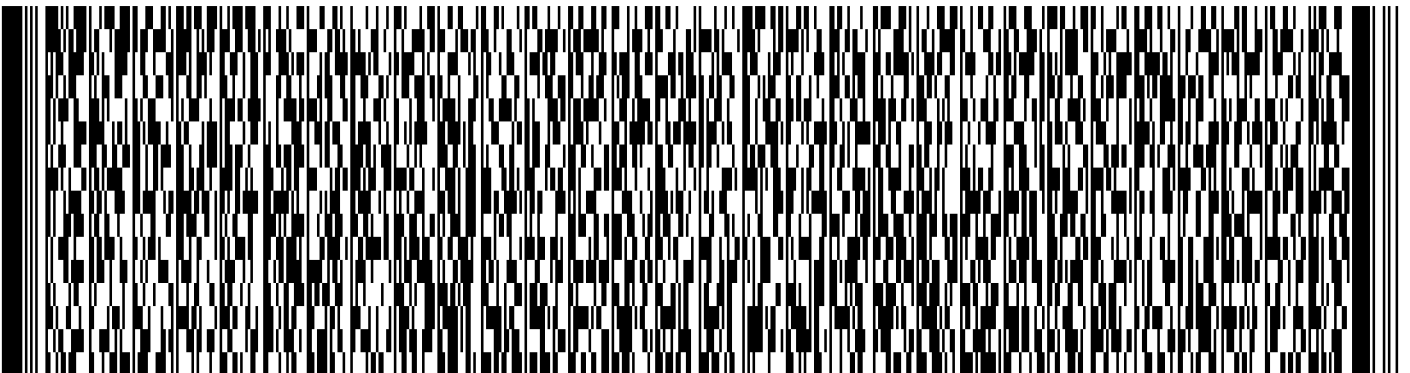
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PageTwoPartTwo

Debtor's Name Pareteum North America Corp.

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Bankruptcy1to50



Bankruptcy51to100



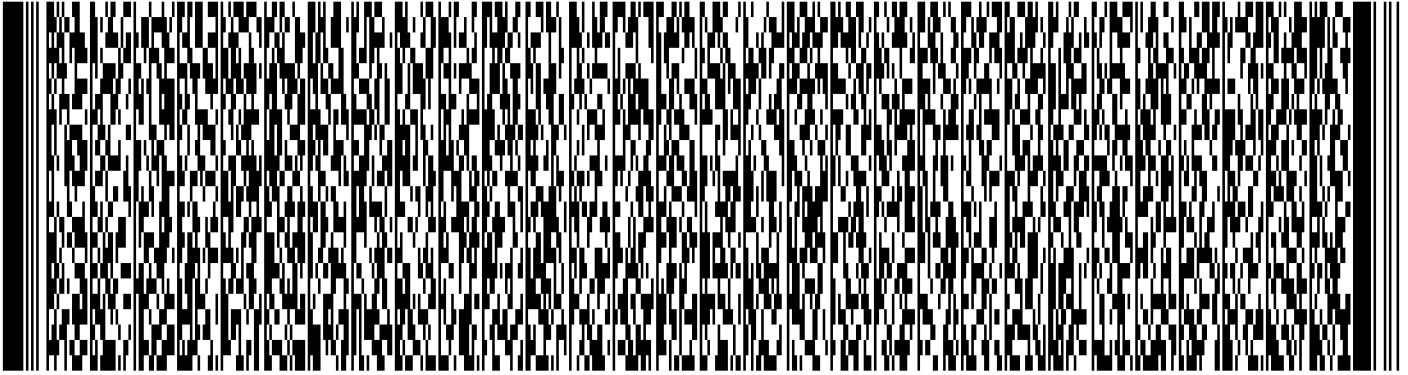
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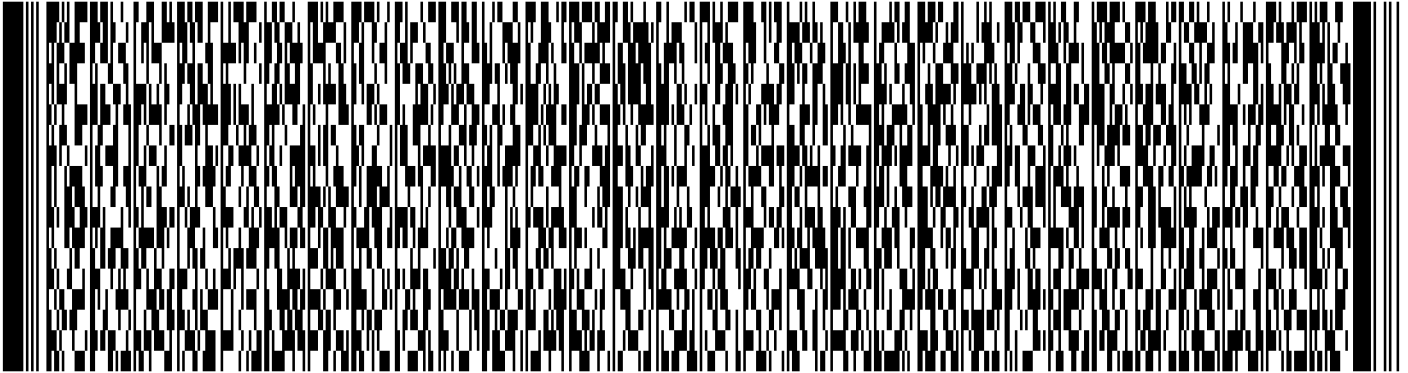
NonBankruptcy51to100

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PARETUEM NORTH AMERICA CORPORATION - USA

Cash Flow

<i>USD \$'s</i>		
Beginning Balance (05/16/2022)	\$	7.96
Bank Charges		(51.99)
Internal Transfer		200.00
Ending Balance (05/31/2022)	\$	155.97

PARETUEM NORTH AMERICA CORPORATION - USA

Balance Sheet as at May 31, 2022		May 31, 2022
		US \$
ASSETS		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$	156
Total current assets		156
<u>NON-CURRENT ASSETS</u>		
OTHER ASSETS		10,000
Intercompany Receivable - Non-Debtor entities		1,546,450
Investments in Subsidiaries / Intercompany		128
TOTAL ASSETS	\$	1,556,733
LIABILITIES AND STOCKHOLDERS' EQUITY		
<u>CURRENT LIABILITIES</u>		
Accounts payable and customer deposits		1,293,750
Accounts payable and customer deposits (Post petition)		192
Accrued expenses and other payables		113,827
Total current liabilities		1,407,769
<u>LONG TERM LIABILITIES</u>		
Intercompany Payable - Debtor entities		31,127,285
Total long term liabilities		31,127,285
TOTAL LIABILITIES		32,535,054
<u>STOCKHOLDERS' EQUITY</u>		
Stockholders' equity		(30,978,320)
TOTAL STOCKHOLDERS' EQUITY		(30,978,320)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	1,556,733

PARETUEM NORTH AMERICA CORPORATION - USA

P&L May 16 thru May 31, 2022		MTD May 31
		US \$
REVENUES	\$	-
COST AND OPERATING EXPENSES		
General and administrative		109,433
PROFIT (LOSS) FROM OPERATIONS		(109,433)
Total other income (expense)		-
NET PROFIT (LOSS)	\$	(109,433)

PARETUEM NORTH AMERICA CORPORATION - USA

AP Aging (Post-petition)

USD \$'s	0-30	31-60	61-90	>90	Total
AP Aging	\$ 191.67	-	-	-	\$ 191.67

PARETUEM NORTH AMERICA CORPORATION - USA

Bank Reconciliation

<i>USD \$'s - Cash and Cash Equivalents</i>	
<u>Bank Account</u>	<u>Ending Balance</u>
Silicon Valley Bank X7747	155.97
Total Cash	\$ 155.97

SiliconValley Bank

3003 Tasman Drive
Santa Clara, CA 95054

May 2022




Reporting Activity 05/01 - 05/31

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ADDRESS SERVICE REQUESTED

>051280 2223189 0001 092196 10Z
PARETEUM NORTH AMERICA CORP.
1185 AVENUE OF THE AMERICAS
2ND FLOOR
NEW YORK NY 10036

Managing Your Accounts

	Phone:	(408) 654-4636
	Toll-Free:	(800) 774-7390
	Email:	clientsupport@svb.com
	Online:	www.svb.com

Summary of Accounts

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXXX7747	\$155.97
Total Balance		\$155.97

Analysis Checking - XXXXXX7747

Account Summary

Date	Description	
05/01/2022	Beginning Balance	\$7.96
05/31/2022	Ending Balance	\$155.97
	Total debits this period	\$51.99
	Total credits this period	\$200.00
	Service Charge	\$0.00

Account Activity

Transaction Date	Description	Debits	Credits	Balance
05/01/2022	Beginning Balance			\$7.96
05/26/2022	ANALYSIS SERVICE CHARGE	-\$51.99	\$0.00	-\$44.03
05/31/2022	BOOK TRANSFER CREDIT FROM ACCOUNT 3301384237	\$0.00	\$200.00	\$155.97
05/31/2022	Ending Balance			\$155.97



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CHECKS OUTSTANDING

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									CHECKBOOK RECONCILIATION		
DATE OR #	AMOUNT		DATE OR #	AMOUNT		DATE OR #	AMOUNT				
									ENTER BALANCE THIS STATEMENT	\$	
									ADD		
									RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT)		
										\$	
									SUBTOTAL	\$	
									SUBTRACT TOTAL ITEMS OUTSTANDING	\$	
BALANCE should agree with your checkbook balance after deducting charges and adding credits not shown in your checkbook but included on this statement as follows: Interest-ADD Overdraft-DEDUCT Automatic Payment-DEDUCT Automatic Advance-ADD Service Charge-DEDUCT									BALANCE	\$	

PLEASE REPORT ANY ERRORS OR OMISSIONS PROMPTLY TO US. ERRORS OR OMISSIONS THAT ARE REPORTED WITHIN THE FIRST 30 DAYS FROM THE DATE OF THE LAST STATEMENT CYCLE ARE USUALLY RESOLVED MUCH MORE QUICKLY THAN DATED REQUESTS. As a fraud prevention measure, you need to review your statements and report unauthorized use or errors to us, as explained in more detail below.

If your checkbook and statement do not balance have you:

- ☐ Accounted for bank charges? ☐ Verified additions and subtractions in your checkbook? ☐ Compared canceled checks to check stub? ☐ Compared deposit amounts on statement to your checkbook?

Any charges for imprinted checks include state sales tax computed at the current rate, when applicable. You can call (800) 774-7390 to request an item or substitute check, or a legible copy. We will without charge provide at least two items (or substitute checks or legible copies) upon request, with respect to each statement.

IN CASE OF ERRORS OR QUESTIONS CONCERNING YOUR ELECTRONIC TRANSFERS
(For Consumer Clients)

Telephone Silicon Valley Bank at (800) 774-7390 or write us at: Silicon Valley Bank, Attn: Client Services, 3003 Tasman Drive, Santa Clara, CA 95054, as soon as you can, if you think your statement or your receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe this is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

For questions about preauthorized transfers, please contact us at (800) 774-7390.

IN CASE OF UNAUTHORIZED USE OF YOUR CHECKS OR ACCOUNTS

You agree to review your statement and to report unauthorized use (checks or other charges that are forged, altered or other unauthorized use) or error immediately. Your deposit agreement sets specific times within which you must report unauthorized use or errors to us. In summary (and subject to special rules that may apply to consumers), if you fail to report unauthorized use or errors to us within 30 days after your statement is available, you may be liable for subsequent unauthorized use by the same wrongdoer. If you fail to report within 60 days, you may also be precluded from asserting the unauthorized use or other error against us. Your statement is deemed "available" when made available in paper or electronic form. Your deposit agreement or Related Agreements may set shorter reporting requirements, such as for ACH services.

FAIR CREDIT REPORTING ACT

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Notes to the Monthly Operating Reports (“MOR”):

General Notes:

The Debtors have made reasonable efforts to present the required financial information according to the appropriate Debtor entity. However, because the Debtors’ accounting systems and practices are disparate reporting systems that had never been fully integrated through the historical acquisitions, it is possible that not all information is attributed or recorded with the correct Debtor entity on these MORs.

Subsequent information may result in material changes to these reports, and inadvertent errors or omissions may have occurred. As the MORs contain unaudited information, which is subject to further review, verification, and potential adjustment, the data presented here is accurate as of the May 31, 2022 report date. Accordingly, the Debtors reserve all rights to amend the MORs.

The Debtors historically prepared consolidated quarterly and annual consolidated financial statements that were audited annually (The last full year SEC-filed audit was for calendar year 2020. There was a subsequent 10-Q filed for Q1 2021) and included all of the Debtors, as well as affiliated non-Debtor entities. Unlike the consolidated financial statements, the MORs generally reflect the operations and financial position of each Debtor on a non-consolidated basis. Accordingly, the amounts listed in the MORs will likely differ, at times materially, from the consolidated financial reports prepared historically by the Debtors.

The MORs may not, at times, incorporate information prepared in accordance with GAAP (General Accepted Accounting Principles). Specifically, under GAAP, certain assets and liabilities are required to be revalued or assessed on a periodic basis. For certain of these balance sheet accounts, that process has not been done. As such, the MORs neither purport to represent nor reconcile to financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP.

Currency Translation:

All amounts are reflected in U.S. dollars, which the Debtors use as their reporting currency. The Debtors conduct business in many foreign jurisdictions and foreign currencies. The amounts in U.S. dollars reflect the Debtors’ internal currency translation reporting systems except for Debtor Pareteum N.V. Pareteum N.V.’s books are reported in EUR only. The Debtors have assumed a \$1.07 USD/EUR rate for all of Pareteum N.V.’s amounts.

Intercompany Transactions:

The Debtors are nine entities of a corporate organization with forty-seven entities. As such, there are a large number of intercompany transactions both between Debtor entities and between Debtor and non-Debtor entities. The financial statements of certain Debtor and non-Debtor entities are denominated in currency values other than USD on a standalone reporting basis. As such, the intercompany balances of these certain Debtor and non-Debtor entities denominated in foreign currencies have been translated into USD pursuant to the note above. The Debtors do not present

these intercompany balances on a net basis as a result of currency translation. Certain intercompany balances between counterparties may present reconciling differences due to changes in exchange rates over time.

Revenue:

Revenues are based on the allocable revenue to each of the Debtor entities.