

UNITED STATES BANKRUPTCY COURT

Southern DISTRICT OF New York

In Re. iPass, Inc.

§  
§  
§  
§

Case No. 22-10618

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):

8

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

10

**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.



22106152207010000000000008

Debtor's Name iPass, Inc.

Case No. 22-10618

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$4,699	
b. Total receipts (net of transfers between accounts)	\$214,262	\$214,262
c. Total disbursements (net of transfers between accounts)	\$115,502	\$115,502
d. Cash balance end of month (a+b-c)	\$103,459	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$115,502	\$115,502

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$1,219,301
b. Accounts receivable over 90 days outstanding (net of allowance)	\$929,985
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0
d. Total current assets	\$148,438
e. Total assets	\$10,197,148
f. Postpetition payables (excluding taxes)	\$110,429
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)	\$110,429
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$46,681,747
n. Total liabilities (debt) (j+k+l+m)	\$46,792,176
o. Ending equity/net worth (e-n)	\$-36,595,028

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)	\$166,380	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$131,523	
c. Gross profit (a-b)	\$34,857	
d. Selling expenses	\$39,526	
e. General and administrative expenses	\$108,047	
f. Other expenses	\$-96,424	
g. Depreciation and/or amortization (not included in 4b)	\$1,057	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$-17,349	\$-17,349

Debtor's Name iPass, Inc.

Case No. 22-10618

**Part 5: Professional Fees and Expenses**

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$0	\$0	\$0	\$0
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i			\$0	\$0	\$0	\$0
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UST Form 11-MOR (12/01/2021)

Debtor's Name iPass, Inc.

Case No. 22-10618

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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>		\$0	\$0	\$0	\$0
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i			\$0	\$0	\$0	\$0
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Debtor's Name iPass, Inc.

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Debtor's Name iPass, Inc.

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Debtor's Name iPass, Inc.

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	c						
All professional fees and expenses (debtor & committees)				\$0	\$0	\$0	\$0

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

a.	Postpetition income taxes accrued (local, state, and federal)	\$527	\$527
b.	Postpetition income taxes paid (local, state, and federal)	\$2,211	\$2,211
c.	Postpetition employer payroll taxes accrued	\$0	\$0
d.	Postpetition employer payroll taxes paid	\$2,060	\$2,060
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)	\$11,500	\$11,500

**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 iPass, Inc.

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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](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 Chief Financial Officer

Title

Laura W. Thomas

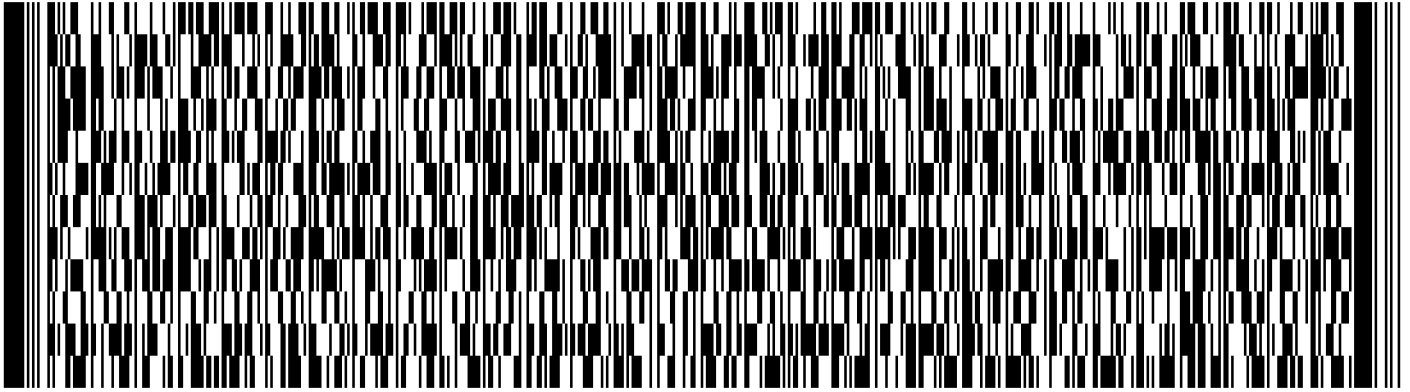
Printed Name of Responsible Party

07/01/2022

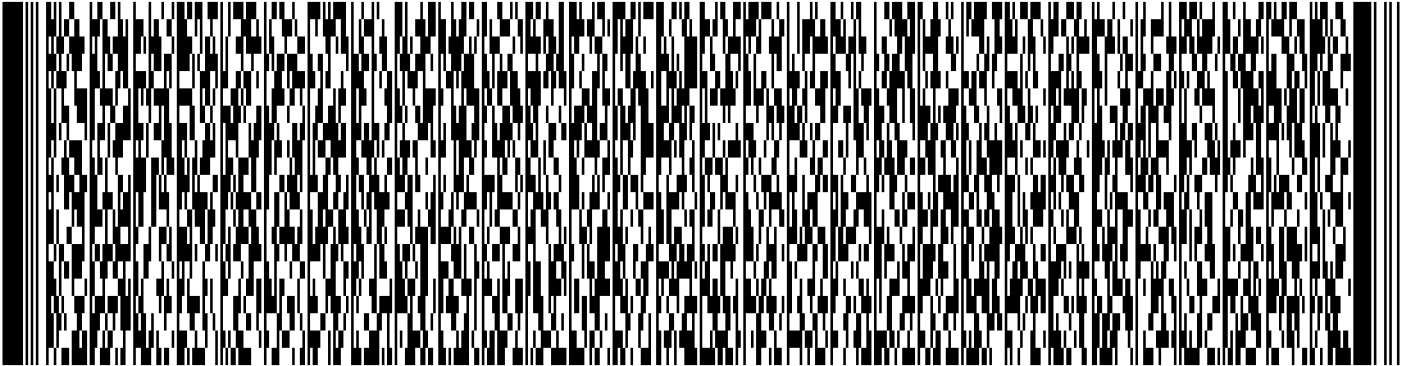
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Debtor's Name iPass, Inc.

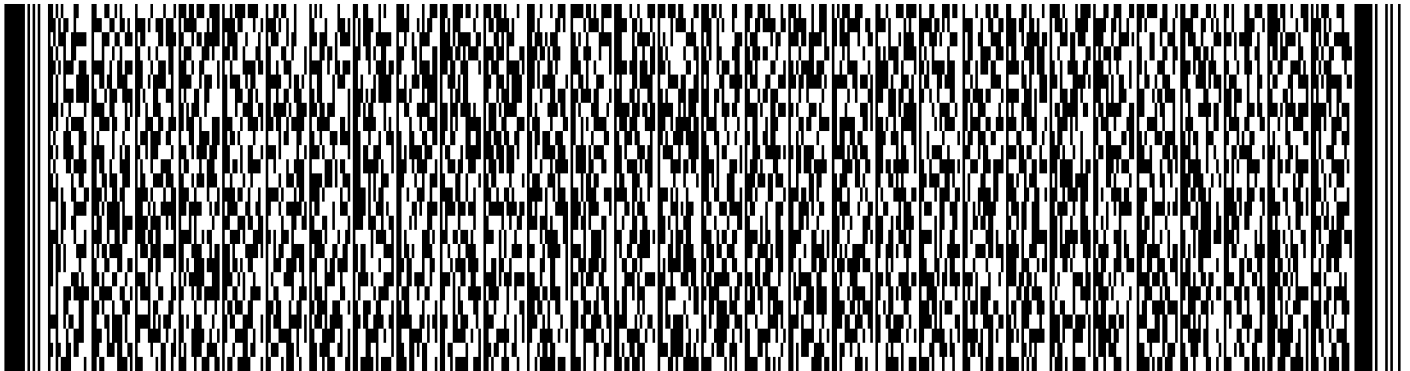
Case No. 22-10618



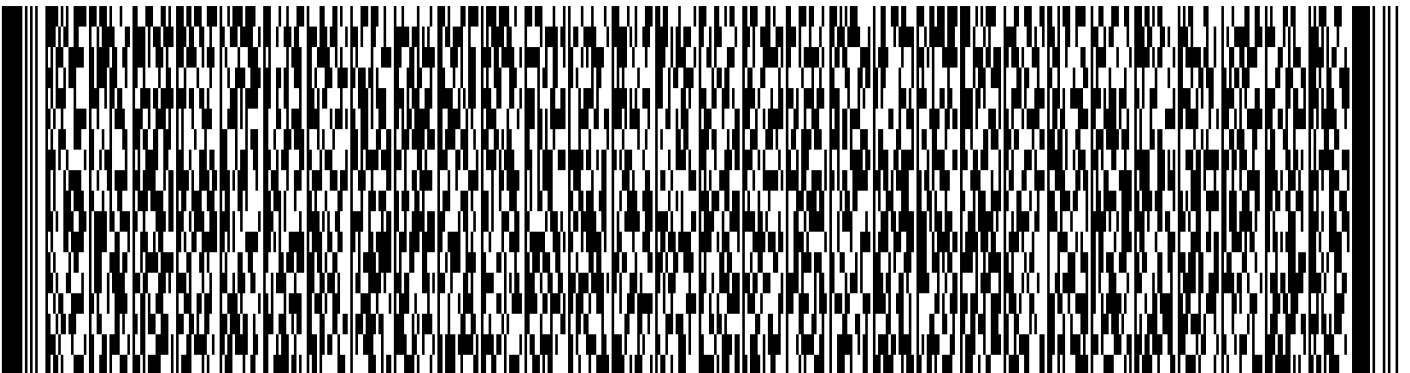
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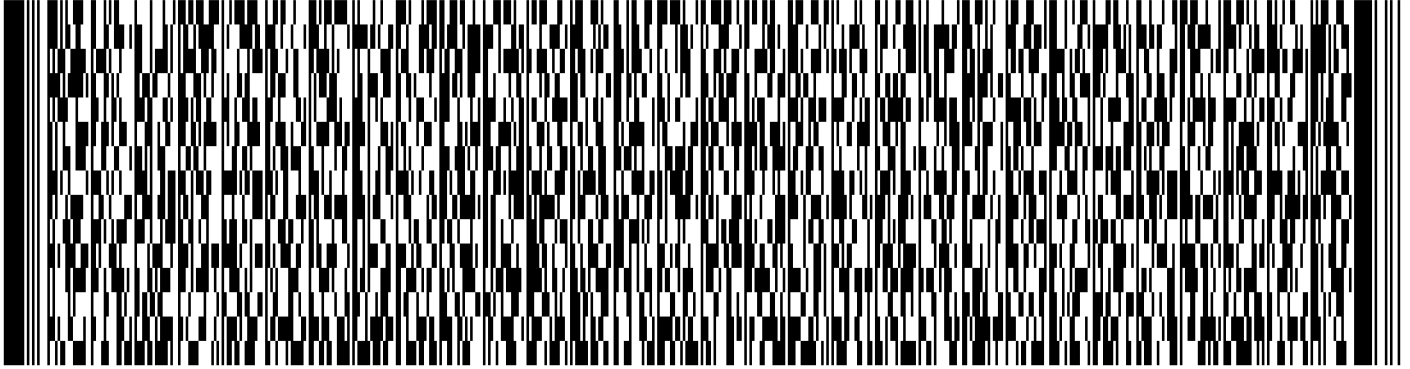
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Debtor's Name iPass, Inc.

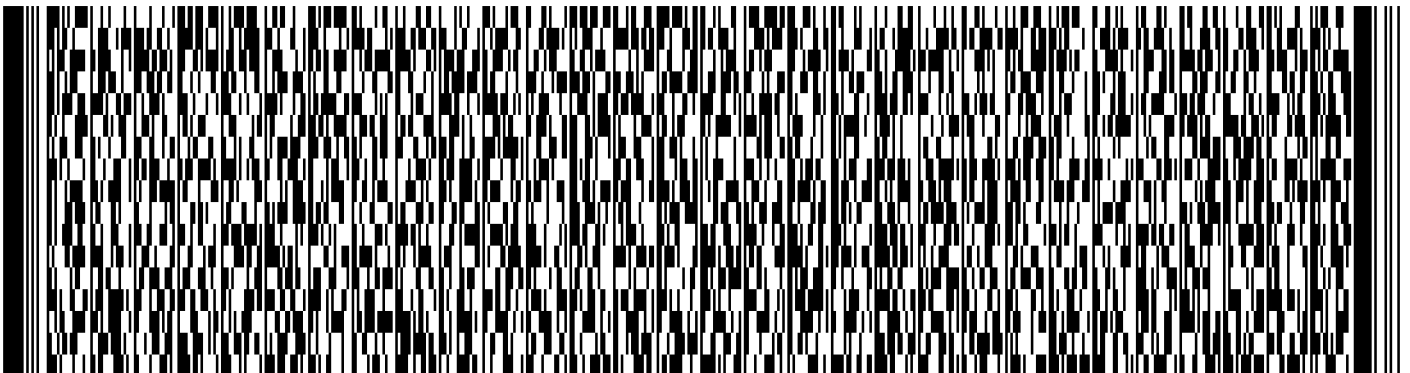
Case No. 22-10618



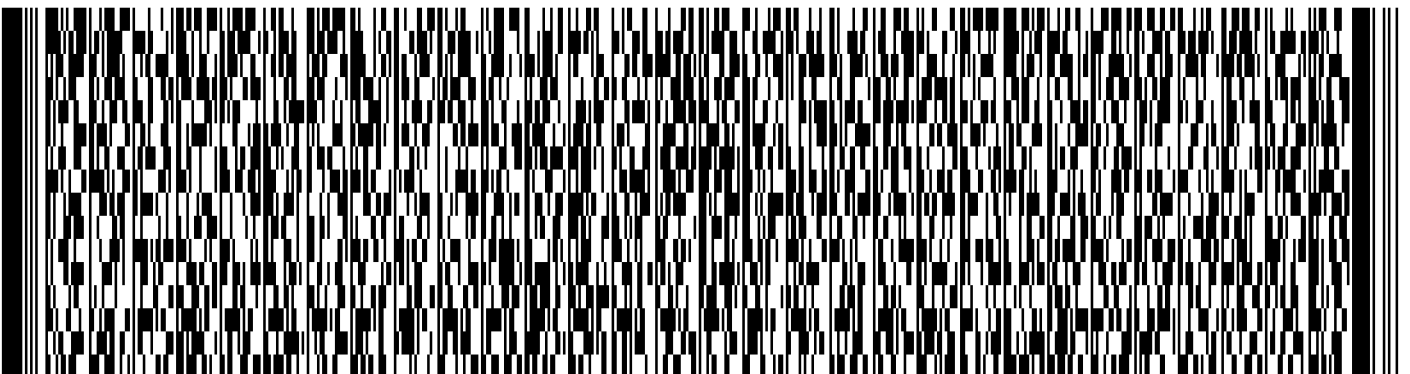
Bankruptcy1to50



Bankruptcy51to100



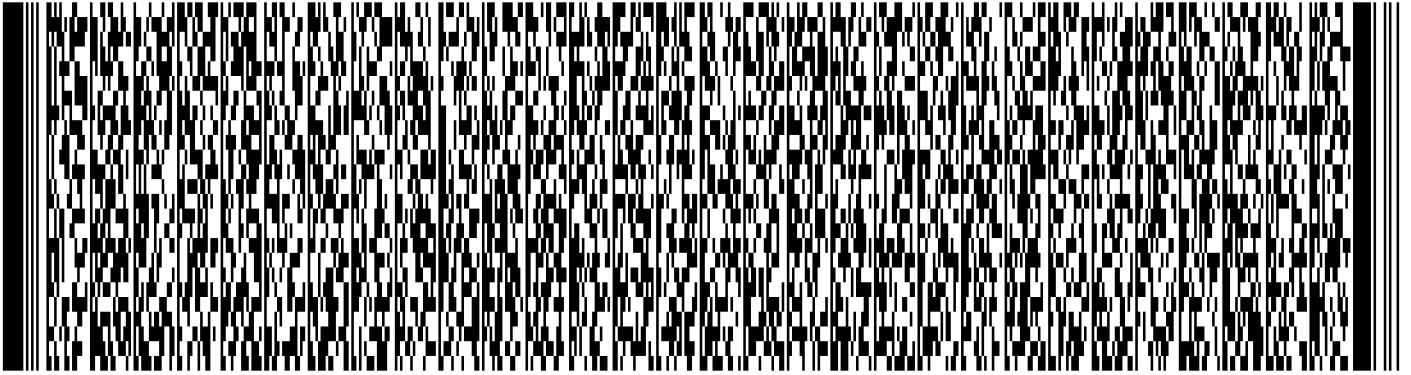
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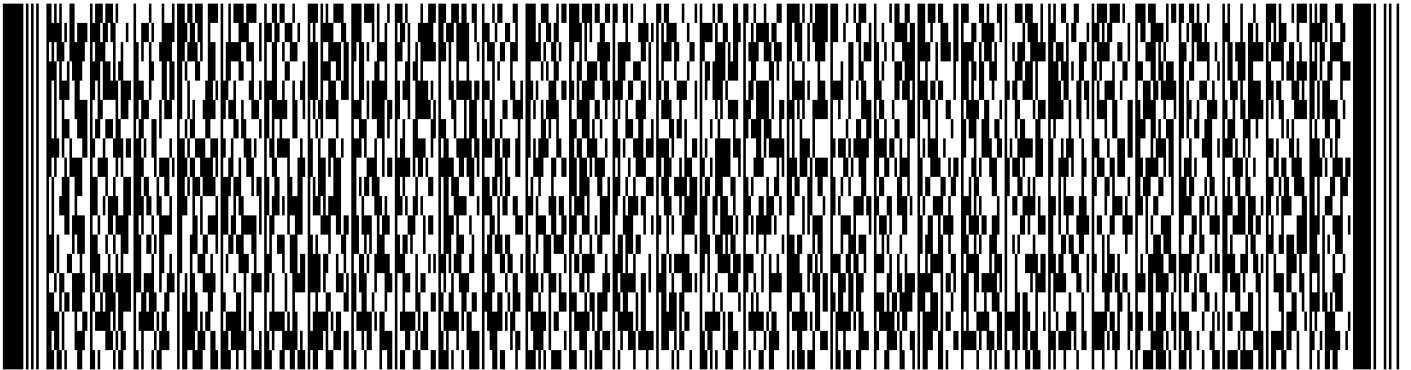
NonBankruptcy51to100

Debtor's Name iPass, Inc.

Case No. 22-10618



PageThree



PageFour

iPass, Inc.  
Cash Flow

USD \$'s		
Beginning Balance (05/16/2022)	\$	4,699.18
Receipts from Customers		214,262.00
Fraud Check Paid and Refunded		-
Payment to Vendors		(76,162.98)
401K Funding		(2,698.43)
Payroll		(34,908.75)
Bank Charges		(140.00)
Bank Fee		(1,591.95)
Sweep and Transfer between Accounts		-
Ending Balance (05/31/2022)	\$	103,459.07

**iPass, Inc.**

Adjusted balance	
May 31	
US \$	
Balance Sheet as of May 31, 2022	
<b>ASSETS</b>	
<b><u>CURRENT ASSETS</u></b>	
Cash and cash equivalents	\$ 103,459
Accounts receivable, net of an allowance for doubtful accounts	1,219,301
Prepaid expenses and other current assets	160,676
<b>Total current assets</b>	<b>1,483,437</b>
<b><u>NON-CURRENT ASSETS</u></b>	
Other Assets	219,367
Intangible Assets	5,309,978
Investments in Subsidiaries / Intercompany	3,180,273
Property & Equipment, Net	4,094
<b>TOTAL ASSETS</b>	<b>10,197,148</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b><u>CURRENT LIABILITIES</u></b>	
Accounts payable	14,374,536
Accounts payable and customer deposits (Post petition)	32,184
Net billings in excess of revenues	863,991
Accrued expenses and other payables	2,006,396
Accrued expenses and other payables (Post petition)	78,245
<b>Total current liabilities</b>	<b>17,355,351</b>
<b><u>LONG TERM LIABILITIES</u></b>	
Other long term liabilities	-
Intercompany Payable - Debtor entities	16,636,326
Intercompany Payable - Non-Debtor entities	12,800,498
Total long term liabilities	29,436,825
<b>TOTAL LIABILITIES</b>	<b>46,792,176</b>
<b><u>STOCKHOLDERS' EQUITY</u></b>	
Common Stock	15
Accumulated Deficit	(36,595,044)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>(36,595,028)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 10,197,148</b>

**iPass, Inc.**

<b>P&amp;L May 16 thru May 31, 2022</b>		<b>MTD May 31</b>
		<b>US \$</b>
<b>REVENUES</b>		<b>\$ 166,380</b>
<b>COST AND OPERATING EXPENSES</b>		
Cost of revenues	131,523	
Sales and marketing	39,526	
General and administrative	108,047	
Depreciation and amortization	1,057	
Total cost and operating expenses	280,153	
<b>PROFIT / (LOSS) FROM OPERATIONS</b>	<b>(113,773)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
Other income (expense), net	96,424	
<b>NET PROFIT / (LOSS)</b>	<b>\$ (17,349)</b>	

iPass, Inc.  
AR Aging

USD \$'s	Current		1-30		31-60		61-90		>90		Total	
AR Aging	\$	212,354.38	\$	59,200.66	\$	9,962.90	\$	7,798.32	\$	929,985.03	\$	1,219,301.29



iPass, Inc.

AP Aging

USD \$'s	0-30	31-60	61-90	>90	Total
AP Aging	\$ 32,183.34	\$ -	\$ -	\$ -	\$ 32,183.34

USD \$'s	0-30	31-60	61-90	>90	Total
Accrued Exp. Aging	\$ 78,244.45	\$ -	\$ -	\$ -	\$ 78,244.45

iPass, Inc.

**Capital Assets - Net Book Value**

<b>USD \$'s</b>	<b>4/30/2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>5/31/2022</b>
Cost:				
PP&E: Equipment	\$ 10,151,594	-	-	\$ 10,151,594
PP&E: Furniture And	193,040	-	-	193,040
PP&E: Purchased Soft	5,834,615	-	-	5,834,615
SOP 98-1 Capitalized	4,864,508	-	-	4,864,508
Leasehold Improvement	104,632	-	-	104,632
<b>Total</b>	<b>21,148,389</b>	<b>-</b>	<b>-</b>	<b>21,148,389</b>
Accumulated Depreciation:				
PP&E: Equipment	(10,145,453)	(2,046)	-	(10,147,499)
PP&E: Furniture And	(193,041)	-	-	(193,041)
PP&E: Purchased Soft	(5,834,616)	-	-	(5,834,616)
SOP 98-1 Capitalized	(4,864,508)	-	-	(4,864,508)
Leasehold Improvement	(104,632)	-	-	(104,632)
<b>Total</b>	<b>(21,142,249)</b>	<b>(2,046)</b>	<b>-</b>	<b>(21,144,295)</b>
<b>Net Book Value</b>	<b>\$ 6,140</b>	<b>(2,046)</b>	<b>-</b>	<b>\$ 4,094</b>

iPass, Inc.

**Bank Reconciliation**

<i>USD \$'s</i>	
<u>Bank Account</u>	<u>Ending Balance</u>
Silicon Valley Bank X3668	\$ 103,459.07
Silicon Valley Bank X4078	-
Silicon Valley Bank X4178	-
<b>Total Cash</b>	<b>\$ 103,459.07</b>

iPass, Inc



**Silicon Valley Bank**

3003 Tasman Drive  
Santa Clara, CA 95054

**ADDRESS SERVICE REQUESTED**

>060927 2223189 0001 092196 10Z  
IPASS INC  
1185 AVENUE OF THE AMERICAS  
2ND FLOOR  
NEW YORK NY 10036

**May 2022**

Reporting Activity 05/01 - 05/31

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**Managing Your Accounts**

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

**Summary of Accounts**

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXX3668	\$103,459.07
<b>Total Balance</b>		<b>\$103,459.07</b>

**Analysis Checking - XXXXXX3668**

**Account Summary**

Date	Description	
05/01/2022	Beginning Balance	\$15,268.62
05/31/2022	Ending Balance	\$103,459.07
	Total debits this period	\$298,234.33
	Total credits this period	\$386,424.78
	Service Charge	\$0.00



**Silicon Valley Bank**

3003 Tasman Drive  
Santa Clara, CA 95054

**ADDRESS SERVICE REQUESTED**

>055784 2223189 0001 092196 10Z

IPASS INC  
1185 AVENUE OF THE AMERICAS  
2ND FLOOR  
NEW YORK NY 10036

**May 2022**

Reporting Activity 05/01 - 05/31

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**Managing Your Accounts**

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

**Summary of Accounts**

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXX4178	\$0.00
<b>Total Balance</b>		<b>\$0.00</b>

**Analysis Checking - XXXXXX4178**

**Account Summary**

Date	Description	
05/01/2022	Beginning Balance	\$0.00
05/31/2022	Ending Balance	\$0.00
	Total debits this period	\$61,761.48
	Total credits this period	\$61,761.48
	Service Charge	\$0.00



**Silicon Valley Bank**

3003 Tasman Drive  
Santa Clara, CA 95054

ADDRESS SERVICE REQUESTED

>007616 2227950 0001 092196 202  
IPASS INC  
1185 AVENUE OF THE AMERICAS  
2ND FLOOR  
NEW YORK NY 10036

**May 2022**

Reporting Activity 05/01 - 05/31

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### 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	XXXXXX4078	\$0.00
<b>Total Balance</b>		<b>\$0.00</b>

### Analysis Checking - XXXXXX4078

#### Account Summary

Date	Description	
05/01/2022	Beginning Balance	\$0.00
05/31/2022	Ending Balance	\$0.00
	Total debits this period	\$408,924.78
	Total credits this period	\$408,924.78
	Service Charge	\$0.00

iPass, Inc.

**Prepetition Debt Payments**

USD \$'s		
<u>Payee</u>	<u>Date</u>	<u>Amount</u>
Clarcat Cantábrico S.L	5/27/2022	\$ 3,627.01

*All payments made pursuant to the Foreign Vendor Motions as at Docket #0095*

## **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.