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*Attorneys for Anthony M. Saccullo, in his
capacity as Liquidating Trustee, for the
TEUM Liquidating Trust*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 22-10615 (LGB)

(Jointly Administered)

**DECLARATION OF ANTHONY M. SACCULLO IN SUPPORT OF SUPPLEMENTAL
OBJECTION TO THE MOTION FOR ORDER CONFIRMING AND/OR
DETERMINING THAT PROCEEDS OF CERTAIN D&O INSURANCE POLICIES ARE
NOT SUBJECT TO THE AUTOMATIC STAY**

I, Anthony M. Saccullo, declare the following:

1. I am the Liquidating Trustee (the “Trustee”) for the TEUM Liquidating Trust (the “Liquidating Trust”). I submit this Declaration as my direct testimony in support of the Liquidating Trustee’s supplemental objection (the “Supplemental Objection”)¹ to the motion of non-debtors Robert H. Turner, Edward O’Donnell, Denis McCarthy, Victor Bozzo, Robert

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Supplemental Objection.



Mumby, and Yves Van Sante (collectively, “Movants”), for entry of an order, pursuant to sections 105(a) and 362(d)(1) of title 11 of the United States Code (the “Bankruptcy Code”), determining that proceeds under certain insurance policies are not property of the estate and not subject to the automatic stay [Dkt. No. 329] (the “Motion”).

2. I make this Declaration based upon my personal knowledge, as well as from my review of the Debtors’ books and records, the claims register, publicly filed pleadings and other documents in the public record, and documents produced in connection with the Motion.

A. Claims Against the Estate

3. Based upon my review of the claims register, I have identified the following Indemnification Claims filed by Movants and certain Non-Movant former directors and officers of Pareteum:

Claim Number(s)	Claimant	Description of Claimant
107	Laura Thomas	Interim Chief Financial Officer of Pareteum from November 1, 2019 (effective as of November 15, 2019) through July 11, 2022, and director of Pareteum from July 27, 2017 to November 2018, then president of corporate development until March 31, 2019.
109	Luiz Jimenez-Tunon	Former director of Pareteum from March 1, 2017 through July 11, 2022.
110	Robert Lippert	Former director of Pareteum from November 16, 2018 through July 11, 2022.
115	Victor Bozzo	Chief Commercial Officer of Pareteum from May 24, 2019 through June 9, 2020, and Chief Executive Officer from November 1, 2016 through May 24, 2019.
117	Denis McCarthy	Chief Operating Officer of Pareteum from May 24, 2019 to October 9, 2019 and President from October 1, 2018 to May 24, 2019.
120	Robert Mumby	Chief Revenue Officer of Pareteum from April 2017 through June 2020.

125	Edward O'Donnell	Chief Financial Officer of Pareteum from January 9, 2017 to November 1, 2019.
129	Robert Turner	Chief Executive Officer of Pareteum from May 24, 2019, and Executive Chairman of the Board from November 16, 2015 through November 22, 2019.
132	Yves Van Sante	Director of Pareteum from June 1, 2014 through October 27, 2020.
138	Alexander Korff	Pareteum's General Counsel from August 1, 2016 through at least December 9, 2021.

True and correct copies of these Indemnification Claims are attached hereto as Exhibit T-1 through Exhibit T-10.

4. The Indemnification Claims, generally, are based upon Pareteum's obligation to pay defense costs and indemnify its officers and directors pursuant to its By-Laws and Section 145 of the General Corporation Law of the State of Delaware. Attached hereto as Exhibit T-18 and Exhibit T-19 are copies of Pareteum's Registration Statement and its Proxy Statement, including the By-Laws attached as Appendix C.

5. With the exception of Alexander Korff, each of the individuals who filed the Indemnification Claims (together, the "Indemnification Claimants") were named as defendants in one or more of the underlying litigations. In addition to the various litigations, there is an active Government Investigation being conducted into Pareteum and/or certain of its former directors and officers. Given the ongoing nature of the Government Investigation, the Indemnification Claimants will likely continue to incur defense costs after the Policies are exhausted by the Proposed Settlement.

6. By filing their Indemnification Claims, the Indemnification Claimants have evidenced their intent to seek payment from the estate on account of their Indemnification Claims. If they prevail in their Indemnification Claims, such obligations of the estate would be covered under Insuring Agreement B of the ABC Policies. Additionally, if the estate determines that there

are grounds to object to the Indemnification Claims, the costs incurred by the estate associated with prosecuting those objections would be covered under Insuring Agreement C.

7. I have also reviewed the proof of claim filed by Dawson James Securities, Inc. (“Dawson”), a copy of which is attached hereto as Exhibit T-11. Dawson served as placement agent for Pareteum’s September 2019 \$40 million direct public offering of certain common stock and warrants. *Id.* According to the proof of claim, Pareteum agreed to indemnify Dawson for liabilities (including attorneys fees incurred) associated with Pareteum’s purported breach of its representations and warranties related to the September 2019 offering. *Id.* Dawson was named as a defendant in the Putative Class Action and filed cross-claims against Pareteum. Although the plaintiffs dismissed Dawson from their complaint without prejudice, Dawson’s cross-claim against Pareteum has not been dismissed or withdrawn.

8. Dawson asserts a “fully matured, liquidated claim in the amount of not less than \$139,000 for legal fees” incurred in connection with the Putative Class Action, as well as contingent claims for indemnification. *See id.* There is no pending objection to the Dawson claim and Dawson is not a party to the Proposed Settlement. Accordingly, the estate will either have to object to the Dawson claim or make distributions to Dawson on account of its claim. The costs incurred by the estate in connection with objecting to, and potentially paying, the Dawson claim are covered under Insuring Agreement C.

B. The Ongoing Government Investigation

9. In August 2019 and February 2020, the Securities and Exchange Commission (the “SEC”) issued subpoenas requiring Pareteum to produce certain documents related to, among other things, Pareteum’s recognition of revenue, practices with certain customers, and internal

accounting controls. A true and correct copy of Pareteum's 10-Q, 2021 Q1 Quarterly Report is attached hereto as Exhibit T-17.

10. On September 2, 2021, the SEC issued a settled administrative cease-and-desist order (the "SEC Order") in connection with its ongoing investigation. *See* Claims Register, Claim Number 88. The SEC found, among other things, that from 2018 through mid-2019, Pareteum misstated its revenue due to improper accounting practices, which were not in accordance with GAAP, and that senior employees – including the Movants – had taken steps to conceal these practices from Pareteum's auditor. *See id.*

11. The SEC's investigation, along with a parallel investigation by the Department of Justice (the "DOJ") and, together with the SEC, the "Government") continued during the pendency of the bankruptcy cases (the "Government Investigation").

12. On or about July 22, 2022, Pareteum received a Grand Jury Subpoena properly issued out of the U.S. District Court for the Southern District of New York in connection with the Government Investigation. A true and accurate copy of the Subpoena is attached hereto as Exhibit T-24.²

13. My team and I are in the process of conducting an expansive search for documents in response to the Subpoena. To date, my team has collected three terabytes (3TB) of data/documents intended for production.

² As set forth in the accompanying motion to file under seal, given the serious, ongoing nature of the investigation(s), Federal Rules, and its significant breadth and scope, the investigating agencies have indicated a preference that the specific contents of the Grand Jury Subpoena not be publicly disclosed, but rather filed under seal with the Court. The government has also indicated its preference that the Subpoena not be provided to counsel for individuals identified for similar reasons.

C. Payment of Defense Costs

14. Based upon my review of the pleadings filed in these cases and other documents produced in connection with this Motion, both prior to the Petition Date and during these chapter 11 cases, the defense costs of the Movants and other non-Movant directors and officers, including Laura Thomas, Luis Jimenez-Tunon, Robert Lippert, and Alexander Korff, were paid from the ABC Policy proceeds. *See* Amended Stipulation, Dkt. No. 377 and Debtors' Limited Objection, Dkt. No. 184, true and correct copies of which are attached hereto as Exhibit T-12 and Exhibit T-13, respectively.

15. XL Specialty Insurance Company ("XL Specialty") produced the spreadsheet attached hereto as Exhibit T-16 reflecting payments on behalf of various insureds under the XL Specialty Policy. The spreadsheet produced by XL Specialty demonstrates that defense costs are being expended at a very rapid rate. For example, Jenner & Block, who represents individual insureds in connection with the Government Investigation, was paid over \$2 million in fees under the Policies in the nine month period from December 2021 through August 2022. *See id.* The Government's investigation remains active and ongoing, as demonstrated by the Liquidating Trustee's extensive work in responding to the Subpoena. It is reasonable to expect that the defense costs will continue to be paid at a rapid rate in the coming months. Considering the extensive costs associated with the Government Investigation, the proceeds under the Side A Policy that Movants proclaim they have reserved for the defense of that investigation will be rapidly exhausted. After the Side A Policy is exhausted, the defense and liability costs of the individual insurers will either (i) be paid by the estate based upon the Indemnification Claims (*pari passu* with general unsecured creditors) or (ii) the Liquidating Trustee will be forced to object to the Indemnification Claims. In

either case, the estate will have to pay out-of-pocket with no remaining insurance proceeds available – but only if the Proposed Settlement is approved.

16. Additionally, I understand that approximately \$2,070,500.61 in defense costs for Pareteum were paid prior to the Petition Date. Attached as Exhibit T-14 are true and correct copies of nine (9) checks, in the aggregate amount of \$1,982,270.66, reflecting payment of the Pareteum’s defense costs from the proceeds of Argonaut Insurance Company Policy No. ML 7602071-2 (the “Argonaut Policy”). Attached hereto as Exhibit T-15 is a true and accurate copy of a wire transfer receipt in the amount of \$460,642.55, reflecting payment of the proceeds of the XL Specialty Policy, of which \$88,229.95 was utilized to pay Pareteum’s defense costs.

17. I have reviewed certain coverage letters produced by XL Specialty, which indicate that prepetition defense costs in connection with the Government Investigation were paid to Pareteum from the ABC Policies. Attached hereto as Exhibit T-22 is a true and correct copy of a December 9, 2021 letter from XL Specialty’s counsel to Pareteum stating in pertinent part that “XL Specialty understands that Argonaut is advancing Defense Costs for the SEC Investigation and adopts Argonaut’s position as to Defense Costs.” Attached hereto as Exhibit T-23 is a true and correct copy of a letter dated March 10, 2020 from Argonaut’s counsel to Pareteum stating in pertinent part that “the Pareteum Derivative Litigation, the Pareteum Securities Litigation, the Pareteum SEC Investigation, and the February 2020 SEC Subpoenas collectively constitute a single Claim under the [Argonaut] Policy....”

18. Given that the insurers appear to have made payments toward Pareteum’s defense of the Government Investigation prior to the Petition Date, the Liquidating Trustee is similarly entitled to seek to have its fees and costs incurred in responding to the Government Investigation reimbursed on a going forward basis.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing statements are true and correct.

December 7, 2022
New York, New York

Respectfully Submitted,

By: /s/ Anthony M. Saccullo
Anthony M. Saccullo, in his capacity as
Trustee for the TEUM Liquidating Trust

EXHIBIT T-1

[Indemnification Claim of Laura Thomas]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Laura Thomas</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Laura Thomas</u> <u>James Goldfarb</u> <u>Davis Wright Tremaine LLP</u> <u>1185 Avenue of the Americas, 21st Floor</u> <u>New York, NY 10036, United States</u>	
	Contact phone <u>212-880-3999</u>	Contact phone _____
	Contact email <u>jamesgoldfarb@dwt.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: __ __ __ __
7.	How much is the claim?	\$ <u>unliquidated</u> Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached - indemnification.</u>
9.	Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10.	Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11.	Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/19/2022
MM / DD / YYYY

/s/Laura Thomas
Signature

Print the name of the person who is completing and signing this claim:

Name Laura Thomas
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Laura Thomas James Goldfarb Davis Wright Tremaine LLP 1185 Avenue of the Americas, 21st Floor New York, NY, 10036 United States Phone: 212-880-3999 Phone 2: Fax: Email: jamesgoldfarb@dwt.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attached - indemnification.	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: unliquidated	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Laura Thomas on 19-Aug-2022 6:06:25 p.m. Eastern Time Title: Company:		

ATTACHMENT TO PROOF OF CLAIM

Laura Thomas submits this claim for all obligations owed to Ms. Thomas by Pareteum Corporation (“Pareteum”) and its affiliated debtors (together with Pareteum, the “Debtors”), including all obligations arising under or in connection with Pareteum’s Bylaws, which are attached as Appendix C of the July 26, 2011 Proxy Statement of Elephant Talk Communications, Inc. (the “Proxy Statement”).¹ The Proxy Statement is attached as Exhibit 3.3 of the June 18, 2019 Registration Statement of Pareteum (the “Registration Statement”).²

On May 15, 2022 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The Debtors’ cases are jointly administered under Case No. 22-10615.

Ms. Thomas served as the Interim Chief Financial Officer for Pareteum from October 29, 2019 through July 11, 2022.³ The obligations owed by the Debtors to Ms. Thomas include rights of indemnification arising under the Bylaws and Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”). These indemnification rights include, but are not limited to, rights with respect to two separate actions (collectively, the “Indemnification Actions”): (i) William Miller, derivatively on behalf of Pareteum Corp. v. Victor Bozzo, et al., No. 651381/2020 (N.Y. Sup. Ct. N.Y. Cnty.), a derivative action filed on February 28, 2020 alleging breach of fiduciary duty, unjust enrichment, and waste of corporate assets; (ii) and In re Pareteum Corporation Stockholder Derivative Litigation, No. 1:20-cv-06264-AKH (S.D.N.Y.), a derivative action filed on February 5, 2020 alleging claims under the Securities Exchange Act of 1934, breach of fiduciary duty, and unjust enrichment. The indemnification damages relating to the Indemnification Actions are presently unliquidated and may include the costs of defense (if not reimbursed by one or more insurance carriers) and any adverse judgments.

Ms. Thomas submits this claim to preserve all her rights, including any rights of setoff, any rights of recoupment, and rights that are unmatured or that may be contingent, unliquidated, or unknown. Ms. Thomas reserves the right to file additional claims and to amend or supplement this claim, including by (a) specifying the dollar amount of any part of the claim that is not stated in

¹ Elephant Talk Communications Corp. changed its name to Pareteum Corporation on November 1, 2016.

² See https://www.sec.gov/Archives/edgar/data/1084384/000114420411042184/v229571_def14a.htm for a copy of the Proxy Statement, including the Bylaws attached as Appendix C, and https://www.sec.gov/Archives/edgar/data/1084384/000114420419031376/tv523640_s3.htm for a copy of the Registration Statement.

³ See <https://www.sec.gov/ix?doc=/Archives/edgar/data/1084384/000119312522208829/d362279d8k.htm> for a copy of Form 8-K, dated July 11, 2022, reflecting the resignation of Ms. Thomas as Interim Chief Financial Officer.

specific amounts herein, (b) specifying the amounts owed to Ms. Thomas to the extent not set forth herein, including indemnification rights, and (c) specifying additional amounts arising before, on, or after the bankruptcy filing, including attorneys' fees. By filing this claim, Ms. Thomas is not waiving any jury-trial right nor any right to object to the entry of final orders and judgments by the U.S. Bankruptcy Court for the Southern District of New York.

EXHIBIT T-2

[Indemnification Claim of Luiz Jimenez-Tunon]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Luis Jimenez-Tuñon</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Luis Jimenez-Tuñon</u> <u>James Goldfarb</u> <u>Davis Wright Tremaine LLP</u> <u>1185 Avenue of the Americas, 21st Floor</u> <u>New York, NY 10036, United States</u>	
	Contact phone <u>212-880-3999</u>	Contact phone _____
	Contact email <u>jamesgoldfarb@dwt.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2:

☒ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

. Does this amount include interest or other charges?

☒ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

See attached - unpaid compensation and indemnification.

☒ No

☐ Yes. The claim is secured by a lien on property.

Nature or property:

☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe:

Basis for perfection:

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %

☐ Fixed

 Variable

☒ No

☐ Yes. Amount necessary to cure any default as of the date of the petition. \$

☒ No

☐ Yes. Identify the property: _____

<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply: </div> <div style="text-align: right; background-color: #f2f2f2; padding: 2px 5px; font-weight: bold;">Amount entitled to priority</div> </div> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 70%;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies. </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> </div> <p style="font-size: small; margin-top: 10px;">* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.</p>
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. </div> <div style="margin-top: 10px;">\$ _____</div>

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
☐ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/19/2022
MM / DD / YYYY

/s/Luiz Jimenez-Tuñon
Signature

Print the name of the person who is completing and signing this claim:

Name Luiz Jimenez-Tuñon
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Luis Jimenez-Tuñon James Goldfarb Davis Wright Tremaine LLP 1185 Avenue of the Americas, 21st Floor New York, NY, 10036 United States Phone: 212-880-3999 Phone 2: Fax: Email: jamesgoldfarb@dwt.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attached - unpaid compensation and indemnification.	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 18,750.00	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Luis Jimenez-Tuñon on 19-Aug-2022 6:51:59 p.m. Eastern Time Title: Company:		

ATTACHMENT TO PROOF OF CLAIM

Luis Jimenez-Tuñon submits this claim for all obligations owed to Mr. Jimenez-Tuñon by Pareteum Corporation (“Pareteum”) and its affiliated debtors (together with Pareteum, the “Debtors”), including all obligations arising under or in connection with Pareteum’s Bylaws, the February 8, 2017 Appointment Letter for Pareteum Corporation Board of Directors (the “Appointment Letter”), the January 3, 2020 Written Consent of the Compensation Committee of the Board of Directors of Pareteum (the “January 3, 2020 BOD Consent”), and the May 12, 2022 Minutes of a Meeting of the Independent Directors & Management of Pareteum (the “May 12, 2022 Minutes”). The Bylaws are attached as Appendix C of the July 26, 2011 Proxy Statement of Elephant Talk Communications, Inc. (the “Proxy Statement”).¹ The Proxy Statement is attached as Exhibit 3.3 of the June 18, 2019 Registration Statement of Pareteum (the “Registration Statement”).² Copies of the Appointment Letter and the January 3, 2020 BOD Consent are attached as Exhibits A and B. The May 12, 2022 Minutes have not yet been executed and therefore are not attached here.

On May 15, 2022 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The Debtors’ cases are jointly administered under Case No. 22-10615.

Mr. Jimenez-Tuñon served as an independent director the Pareteum Board of Directors from March 1, 2017 through July 11, 2022.³ The remuneration of an independent director consisted of a \$90,000.00 annual retainer and a \$10,000 fee per committee per year, plus an additional \$20,000 per year for serving as the chair of the Audit Committee and \$10,000 per year for serving as the chair of another committee. See Appointment Letter, as revised by the January 3, 2020 BOD Consent. It was established in the May 12, 2022 Minutes that the independent directors were going to defer but not waive their remaining \$71,000.00 accrued before the Petition Date. Of that figure, \$18,750.00 is owed by the Debtors to Mr. Jimenez-Tuñon.

¹ Elephant Talk Communications Corp. changed its name to Pareteum Corporation on November 1, 2016.

² See https://www.sec.gov/Archives/edgar/data/1084384/000114420411042184/v229571_def14a.htm for a copy of the Proxy Statement, including the Bylaws attached as Appendix C, and https://www.sec.gov/Archives/edgar/data/1084384/000114420419031376/tv523640_s3.htm for a copy of the Registration Statement.

³ See https://www.sec.gov/Archives/edgar/data/0001084384/000114420417012410/v461005_8k.htm for a copy of a Current Report on Form 8-K, dated March 1, 2017, reflecting the appointment of Mr. Jimenez-Tuñon as an independent director. See also <https://www.sec.gov/ix?doc=/Archives/edgar/data/1084384/000119312522208829/d362279d8k.htm> for a copy of Form 8-K, dated July 11, 2022, reflecting the resignation of Mr. Jimenez-Tuñon as an independent director.

The obligations owed by the Debtors to Mr. Jimenez-Tuñon also include rights of indemnification arising under the Bylaws and Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”). These indemnification rights include, but are not limited to, rights with respect to four separate actions (collectively, the “Indemnification Actions”): (i) Sabby Volatility Warrant Master Fund, Ltd. v. Pareteum Corp., et al., No. 19-cv-10460-AKH (S.D.N.Y.), an individual action filed on November 11, 2019 alleging claims under the Securities Act of 1933, breach of contract, and contractual indemnification; (ii) William Miller, derivatively on behalf of Pareteum Corp. v. Victor Bozzo, et al., No. 651381/2020 (N.Y. Sup. Ct. N.Y. Cnty.), a derivative action filed on February 28, 2020 alleging breach of fiduciary duty, unjust enrichment, and waste of corporate assets; (iii) Douglas Loskot v. Pareteum Corp., et al., 20-CIV-02279 (Cal. Super. Ct., San Mateo Cnty.), a putative class action filed on May 29, 2020 alleging claims under the Securities Act of 1933; and (iv) In re Pareteum Corporation Stockholder Derivative Litigation, No. 1:20-cv-06264-AKH (S.D.N.Y.), a derivative action filed on February 5, 2020 alleging claims under the Securities Exchange Act of 1934, breach of fiduciary duty, and unjust enrichment. The indemnification damages relating to the Indemnification Actions are presently unliquidated and may include the costs of defense (if not reimbursed by one or more insurance carriers) and any adverse judgments.

Mr. Jimenez-Tuñon submits this claim to preserve all his rights, including any rights of setoff, any rights of recoupment, and rights that are unmatured or that may be contingent, unliquidated, or unknown. Mr. Jimenez-Tuñon reserves the right to file additional claims and to amend or supplement this claim, including by (a) specifying the dollar amount of any part of the claim that is not stated in specific amounts herein, (b) specifying the amounts owed to Mr. Jimenez-Tuñon to the extent not set forth herein, including indemnification rights, and (c) specifying additional amounts arising before, on, or after the bankruptcy filing, including attorneys’ fees. By filing this claim, Mr. Jimenez-Tuñon is not waiving any jury-trial right nor any right to object to the entry of final orders and judgments by the U.S. Bankruptcy Court for the Southern District of New York.

EXHIBIT A



February 8, 2017

PRIVATE AND CONFIDENTIAL

VIA EMAIL ONLY: luis.jt@alumni.gsb.stanford.edu

Mr. Luis Jimenez Tunon
Paseo De Los Parques 32, Chalet 6B
El Encinar De Los Reyes, 28109
Madrid, Spain

Re: Pareteum Corporation Board of Directors

Dear Luis:

We are pleased to include you as a nominee for the Board of Directors (the “**Board**”) of Pareteum Corp., a Delaware corporation (the “**Company**”) as an independent director, effective as of March 1, 2017, subject to your election as a director by the Company’s stockholders. If you are willing to serve on the Board, we will promptly seek the appropriate corporate approvals to effect your nomination and election to the Board, which we anticipate will occur at the next meeting of the Stockholders. You should be aware that we do not have a classified board. Therefore, all directors are re-elected annually by our stockholders.

As we have discussed, we believe that your background and experience would make you a valuable addition to our Board as an independent director. As you may be aware, the laws, regulations and listing standards regarding director independence are complex and fact intensive. Accordingly, prior to approving your proposed nomination, we would work with you to confirm our mutual understanding that you are eligible to serve as an independent director.

This letter outlines the terms of our agreement regarding your service on the Board.

1. Meetings. Subject to any different approach that the Board may determine in the future, we currently expect to have between 4 and 8 Board meetings per year. In addition, we may schedule Board conference calls from time to time. Our meetings will be held normally within the United States of America, but occasionally we may meet at other locations. If you agree to serve on any committee of the Board, the committee meeting schedule and frequency will be as determined by the committee.

2. Conference Calls and Written Consents. As noted above, in addition to in-person Board meetings, we may have Board conference calls from time to time to keep the Directors up to speed on developments in the business. We occasionally take action by unanimous written consent when quick Board action is necessary, and we ask that you be responsive in those circumstances.



3. Confidentiality. Directors may receive informational packages prior to each meeting and, as part of their fiduciary duty to the Company, will be expected to retain the confidentiality of all information that they obtain regarding the Company. Additionally, the terms of that certain Non-Disclosure Agreement, is incorporated herein by reference and attached hereto as Exhibit A.

4. Compensation; Indemnification. Our independent directors currently receive an annual retainer of US \$ 80,000. Our independent directors also receive an additional fee of US \$ 10,000 for each Board committee (subject to a fee cap for committee membership of \$ 20,000) the director serves on (as well as an additional \$ 10,000 for service as chairman of a committee); subject to an overall fee cap of \$110,000 (regardless of the number of committees on which a director serves (collectively, "**Remuneration**"). Board fees are paid monthly in arrears.

As a member of the Board, you will be reimbursed for reasonable travel and other costs incurred in connection with attending Board meetings and other business-related matters requested by the Company. Such reimbursement shall be subject to the Company's standard procedures and policies as may exist from time to time. The Company's organizational documents contain standard indemnification and exculpation clauses designed to protect directors to the maximum extent permitted under Delaware law. We also intend to procure a reasonable amount of directors and officers liability insurance.

As a non-employee director (unless otherwise required by law), the Company will not withhold any sums or payments made to you for social security or other federal, state or local tax liabilities or contributions, and all withholdings, liabilities, and contributions shall be solely your responsibility.

To indicate your understanding and acceptance of this offer, please sign and date this letter in the space provided below and return it to me. By signing this letter you also represent that the execution and delivery of this agreement and the fulfillment of the terms hereof will not require the consent of another person, or constitute a default under or conflict with any agreement or other instrument to which you are bound or a party.

We look forward to your service on the Board and hope that you will find service on the Board to be an exciting challenge and a worthwhile opportunity. This offer must be accepted on or before February 17, 2017.

* * *



Sincerely,

PARETEUM CORPORATION

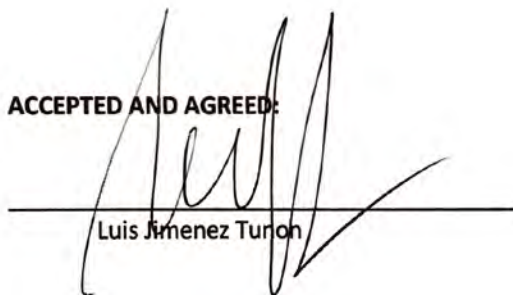
Robert H. Turner

By:

Print name: Robert H. Turner

Title: Executive Chairman and Principal Executive Officer

ACCEPTED AND AGREED:



Luis Jimenez Tunon



EXHIBIT A

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (the "Agreement") is made and entered into effective February 7, 2017 by and between **Pareteum Corporation**, a Delaware corporation having its corporate address at: 100 Park Avenue, Suite 1600, New York City, New York 10017, USA, and Mr. Luis Jimenez Tunon, having his address at Paseo De Los Parques 32, Chalet 6B, El Encinar De Los Reyes, 28109, Madrid, Spain, either both of which may be hereinafter referred to as "the Party" or "the Parties."

WHEREAS

The Parties desire to discuss certain business transactions and to exchange information for the purpose of exploring a potential business relationship for the benefit of the Parties and/or to sign a business contract that shall include confidential technical or business information of each Party or entitle each Party to exchange information for the execution of this business contract. In order to facilitate these discussions and in order for the Parties to receive from each other, either orally or in writing, certain technical and business information under terms that will protect the confidential and proprietary nature of such information, the Parties have entered into this Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS;

- 1. The Definition of "Confidential Information":** The term "Confidential Information" shall mean all information disclosed by one Party to the other Party, whether orally, in written, electronic or other format, and whether disclosed by a Party's agents, principals, employees or representatives, and whether to the other Party's agent's principals, employees or representatives. "Confidential Information" shall include, without limitation, all ideas improvements, inventions, methodologies, works and other innovations of any kind, authored, conceived, developed, made or reduced to practice by the disclosing Party, whether or not eligible for copyright, patent, trademark, trade secret or other legal protection (including, without limitation, formulas, processes, databases, mechanical and electronic hardware, electronic components, computers and their parts, computer programs and their documentation, encoding techniques, marketing and new product plans, production, processes, advertising, packaging and marketing techniques, marketing plans, product plans, technical plans, business strategies, strategic alliances and partners, financial information, engineering data, methodologies and processes, forecasts, personnel information, customer and prospective customer lists, trade secrets, product design, capabilities, specifications, the identify of potential and actual customers, and suppliers and all documentation, materials and media provided by one Party to the other).



- 2. Protection of "Confidential Information":** In consideration of each Party's disclosure of Confidential Information to the other Party, each Party agrees with respect to the Confidential Information received from the other Party, that it:

- (a) shall maintain such Confidential Information in the strictest confidence;
- (b) shall not disclose, transfer or otherwise make available any of such Confidential Information to any third party, unless such Confidential Information must be disclosed for the purposes contemplated herein, or under legal compulsion to disclose any such Confidential Information, in which event each Party shall, prior to such disclosure, obtain written consent from the other Party and obtain from the third person a written agreement acknowledging the binding effect of these restrictions regarding the Confidential Information; and
- (c) shall not directly, indirectly or in concert with any person, use the Confidential Information for any purpose other than evaluating the prospective business relationship with the other Party in accordance with the introduction.

Each Party shall take reasonable measures to protect the Confidential Information of the other Party. Those measures shall not be less than the measures taken to protect the receiving Party's own confidential information. Confidential Information of the other Party may be provided to a Party's employees only on a need-to-know basis, and prior to such provision, the Party will notify each employee to whom such disclosure is made that such Confidential Information is received in confidence and shall be kept in confidence by such employee.

- 3. Excluded Information:** This Agreement shall not apply to any information:

- (a) that has been or which becomes publicly known, through no wrongful act of either Party;
- (b) which is required to be disclosed in order to comply with applicable law or regulation or with any requirement imposed by judicial or administrative process or any governmental or court order.

- 4. No Licenses or Warranties:** Each Party's Confidential Information and all rights thereto shall remain such Party's sole property. Each Party recognizes that the disclosure of Confidential Information by the disclosing Party shall not be construed as granting any rights, by license or otherwise, concerning any Confidential Information, except as may be explicitly created by this Agreement. Each Party acknowledges that the other Party's Confidential Information includes valuable trade secrets. Neither Party has any obligation to disclose Confidential Information to the other Party. NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY, COMPLETENESS, CONDITION, FITNESS and MERCHANTABILITY, OR PERFORMANCE OF ITS CONFIDENTIAL INFORMATION.



5. **Remedies:** If either Party causes a disclosure of the other Party's Confidential Information in breach of the terms of this Agreement, the disclosing Party shall immediately report in writing the disclosure to the other Party and shall save, defend, indemnify and hold the non-disclosing Party harmless from and against any and all liability and damages suffered by the non-disclosing Party arising therefrom. In addition to the foregoing and without limitation thereof, the disclosing Party shall cooperate in prosecuting any claims against third parties for unauthorized use of any Confidential Information. Each Party acknowledges that unauthorized disclosure, use or disposition, whether actual or threatened, of any Confidential Information shall cause irreparable harm, loss of business and significant injury to the disclosing Party, the scope of which would be difficult to ascertain. Each Party agrees, therefore, that the disclosing Party has the right to obtain an immediate injunction against any breach, threatened breach or attempted breach of this Agreement, in addition to any other remedies that may be available at law, including without limitation, the recovery of expenses, costs and attorney's fees arising out of such breach, threatened breach or attempted breach.
6. **Return of "Confidential Information":** All Confidential Information shall be returned to the disclosing Parties promptly upon written request or, at the election of the disclosing Party, the Party that received the Confidential Information shall certify said information has been destroyed and is no longer useable in any format.
7. **Securities:** Parties hereby acknowledge, covenant and agree that they are aware that United States securities laws may prohibit any person who has material, non-public information about a company (including a Party) from purchasing or selling, directly or indirectly, securities of a company (including the Parties), or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
8. **Prohibition of Disclosure:** Neither Party hereto shall in any way or in any form distribute, disclose, publicize, issue press releases, or advertise in any manner, including, but not limited to, making representation in court pleadings, except as required by law, the discussions that gave rise to this Agreement, the discussions or negotiations covered by this Agreement, this Agreement or the Confidential Information provided pursuant to this Agreement, without first obtaining the prior written consent of the other Party.
9. **Term, Assignment and Survival:** This Agreement shall be valid unless terminated by mutual written Agreement. Each Party's obligations with respect to the Confidential Information, including but not limited to, sections 2,4,5,6 shall survive the termination of this Agreement and/or return of all Confidential Information from the latter date of either termination or return of such information. Neither this Agreement nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by either Party.




- 10. Governing Law; Jurisdiction:** This Agreement shall be governed and construed in accordance with the laws of the State of New York, United States of America. In the event of any disputes arising under this Agreement, the undersigned Parties without regard to any principles of conflicts of laws and waiving any defenses of forum non conveniens hereby submit to the exclusive personal and subject matter jurisdiction of the State and Federal Courts situated in the Borough of Manhattan, New York, New York.
- 11. Waiver:** No failure by either Party to exercise any rights arising from default by the other Party shall impair that right or constitute a waiver of it. No waiver by either Party of any covenant to be performed by the other shall constitute a waiver of any later breach of covenant.
- 12. Counterparts:** This Agreement may be executed in two signed copies, each of which when taken together shall be deemed but one original.
- 13. Severability:** The validity or unenforceability of any provision or provisions of this Agreement shall no affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
- 14. Entire Agreement; Amendment:** This Agreement contains the entire understandings between and among the Parties and supersedes any prior understanding and agreements among them respecting the subject matter hereof. No amendment to this Agreement shall be valid unless set forth in writing and signed by both Parties.
- 15. Notices:** All notices required or permitted hereunder shall be in writing and shall be sent by nationally recognized overnight courier service, or by registered or certified mail, to the addresses stated in the heading of this Agreement. Unless otherwise specified, notices shall be deemed given when the return receipt is received.

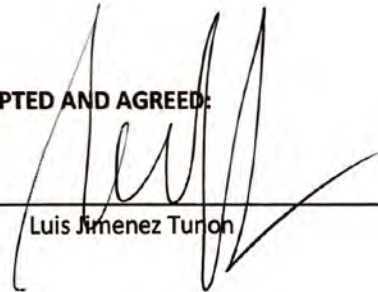
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date and year written above.



PARETEUM CORPORATION

By: 
Print name: Robert H. Turner
Title: Executive Chairman and
Principal Executive Officer

Name:

ACCEPTED AND AGREED: 

Luis Jimenez Tunon

EXHIBIT B

**WRITTEN CONSENT
OF THE
COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
PARETEUM CORPORATION
(a Delaware Corporation)**

The undersigned, being all of the members of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Pareteum Corporation, a Delaware corporation (the “Company”), do hereby unanimously consent to the adoption of the following resolutions without a meeting, effective as of January 3, 2020, pursuant to Section 141(f) of the Delaware General Corporation Law (the “DGCL”).

WHEREAS, the Committee recently undertook a review of past and future Director remuneration matters, in particular taking note of the extraordinary contributions towards the Company in challenging circumstances;

WHEREAS, by resolution dated December 31, 2019, the Committee revoked certain awards to Directors in respect of services and performance rendered during the calendar year 2018 (the “Original 2018 Awards”) and seeks to replace such Original 2018 Awards as set forth herein (the “Revised 2018 Awards”);

WHEREAS, the Committee wishes to make equity awards to certain Directors for ordinary Board fees taken in equity in lieu of cash for services and performance rendered during the calendar year 2019 (the “Ordinary 2019 Awards”);

WHEREAS, the Committee seeks to make equity awards to Directors for extraordinary duties, services and dedication to the Company in 2019 (the “Extraordinary 2019 Awards” and together with the Ordinary 2019 Awards the “2019 Awards”);

WHEREAS, the Committee seeks to establish new or amended compensation levels for all Directors for 2020 and beyond (the “Revised Compensation”);

WHEREAS, the Committee seeks to implement and ratify appropriate compensation for the Interim Chairman of the Board with effect from her starting date of November 22, 2019 (the “Chair Compensation”);

WHEREAS, the Committee seeks to implement and ratify appropriate compensation for Mr. Yves van Sante as a result of his resignation from the Committees of the Board (the “van Sante Compensation”);

WHEREAS, certain of the Revised 2018 Awards, the 2019 Awards, the Revised Compensation, the Chair Compensation, and the van Sante Compensation shall include shares of the Company’s common stock, par value \$0.00001 per share (“Common Stock”) in the amounts set forth in the schedules attached hereto, or options to acquire shares of the Company’s Common Stock (“Options”) in the amounts and vesting in accord with the schedules attached hereto; and

WHEREAS, the Committee seeks to implement and ratify such other awards and equity grants as described herein.

NOW, THEREFORE, BE IT:

RESOLVED, that the Committee hereby ratifies and approves the Revised 2018 Awards, comprised of Common Stock and Options, to be awarded to those named Directors and Officers as set forth in Schedule I (Directors & Officers 2018 Equity Awards) attached hereto, and any such Original 2018 Awards are hereby canceled in their entirety; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Extraordinary 2019 Awards, comprised of Common Stock and Options, to be awarded to those Directors set forth in Schedule II (2019 Directors Extraordinary Equity Awards) attached hereto; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Ordinary 2019 Awards, comprised of Common Stock and Options, to those Directors set forth in Schedule III (2019 Directors Board Fees) in lieu of cash settlement of Board fees for the calendar year 2019; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Revised Compensation, being the new compensation model for all independent directors, effective from January 1, 2020, as specified in Schedule IV – Directors Fees Remuneration Changes attached hereto; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Vitale Compensation in consideration for Ms. Vitale’s services as Interim Chairman of the Board as set forth in Schedule IV - Addendum A; and it is further

RESOLVED, that the Committee hereby ratifies and approves van Sante Compensation for Mr. van Sante as a Director of the Board and as described in Schedule IV - Addendum B; and it is further

RESOLVED, that the authorized officers (including the Corporate Secretary) are hereby authorized to prepare, or instruct legal counsel to prepare on behalf of the Company, such agreements, amendments or restatements to agreements, and any and all other ancillary documents as may be required to give effect to the foregoing resolutions, in particular to effect the Revised Compensation for all Directors as set forth in Schedule IV; and it is further

RESOLVED, that the issuances of shares of Common Stock awarded pursuant to the schedules hereto (the “Common Stock Awards”) and the grant of the Options awarded pursuant to the schedules hereto (the “Option Awards”) are hereby ratified and approved in their entirety, and that the shares of Common Stock issued pursuant to the Common Stock Awards and all shares of Common Stock underlying the Option Awards shall, upon issuance, be duly authorized, validly issued, fully paid, and non-assessable; and it is further

RESOLVED, that the authorized officers be, and each of them hereby is, authorized and directed to do or perform or cause to be done and performed all such acts, deeds and things and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments or certificates in the name or on behalf of the Corporation, as each such person may deem necessary or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions; and it is further

RESOLVED, that that all actions, executions, and delivery of documents instruments and agreements taken by any officer of the Corporation prior to this date relating to the purpose and intent of the foregoing resolutions be, and they hereby are, in all respects approved, ratified, confirmed and adopted as the official acts and deeds of the Corporation; and it is further

RESOLVED, this consent may be executed in multiple counterparts, all of which when taken together shall constitute one and the same consent; and it is further

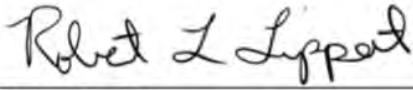
RESOLVED, that this consent may be executed by facsimile signature and upon such execution shall have the same force and effect as an original.

[SIGNATURE PAGE FOLLOWS]

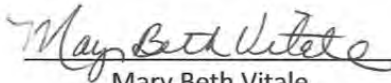
IN WITNESS WHEREOF, the undersigned, being all of the members of the Committee, consent hereto in writing as of the date first written above and direct that this instrument be filed with the minutes of proceedings of the Committee of the Board.



Luis Jimenez-Tuñon
Director (Chairman)



Robert L. Lippert
Director



Mary Beth Vitale

Director & Board Chairman

Named Director or Officer	Title	Amount (Options/Shares)	Exercise Price	Vesting	Comment
<i>Directors</i>					
Mary Beth Vitale	Independent Director (Chairman)	100,000 Options	\$0.36 (closing price day of Grant and appointment to Board / 1 st November 2019)	Fully vested	Contractual Joining Award
		50,000	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	Increased joining award due to Additional Chairman Appointment
Yves van Sante	Independent Director (until December 31 st , 2019)	150,000 Options	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Luis Jimenez-Tuñon	Independent Director	150,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Robert Lippert	Independent Director	150,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Laura Thomas	Interim CFO (former Director)	75,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Alexander Korff	Corporate Secretary	175,000 Shares	N/A	75,000 immediately; 1/24 th per month starting 1 st October 2019	2018 Award and Contract Renewal

Named Director or Officer	Title	Amount (Options/Shares)	Exercise Price	Vesting	Comment
<i>Directors</i>					
Mary Beth Vitale	Independent Director (Chairman)	58,333 Options	\$0.43 (Options) (closing price day of grant / 3 rd January, 2020)	Fully vested	2019 Extraordinary Grant (pro-rata of 350,000 shares for period of engagement: November 1 st , 2019 to December 31 st , 2019)
Yves van Sante	Independent Director	350,000 Options	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	2019 Extraordinary Grant
Luis Jimenez-Tuñon	Independent Director	350,000 Shares	N/A	Fully vested	2019 Extraordinary Grant
Robert Lippert	Independent Director	350,000 Shares	N/A	Fully vested	2019 Extraordinary Grant

[Indemnification Claim of Luiz Jimenez-Tuñon] Pg 23 of 24
Schedule III – 2019 Directors Board Fees - Stock in Lieu of Cash Issuances

Named Director	Time Period	Amount Options/shares)	Exercise Price	Vesting / Comment
Mary Beth Vitale (Chairman)	1 st November 2019	103,239 options	\$0.43 (closing price day of grant / 3 rd January 2020)	Immediate vesting
Yves van Sante	Full year 2019	N/A		All fees were paid in cash
Luis Jimenez-Tuñon	Full year 2019	134,555 shares	N/A	Immediate vesting (in lieu of \$110,000 fees for full year 2019)
Robert Lippert	Full year 2019	159,020 shares	N/A	Immediate vesting (in lieu of \$130,000 fees for full year 2019)

[Indemnification Claim of Luiz Jimenez-Tunon] Pg 24 of 24
Schedule IV – Independent Directors Fees Remuneration Changes

This Schedule sets out the revised Independent and Non-Executive Director Fees and Remuneration arrangements to be effective from January 1, 2020 onwards.

- | | |
|-----------------------------------|---|
| • Board Retainer | \$90,000 per annum |
| • Committee Membership Fee | \$10,000 per Committee (uncapped) per annum |
| • Audit Committee Chairmanship | \$20,000 per annum |
| • Other Committee Chairmanship(s) | \$10,000 per annum |

These Board fees may be taken in cash, options or stock at each Directors' election.

Stock/options are granted quarterly in arrears and vest immediately, and are calculated using the VWAP of the last 10 days of each quarter closing.

Extraordinary Awards for 2020 will be determined by the Compensation Committee half-yearly, first in May 2020 with an award to be granted at the end of Q2-2020, and then again in November 2020, to be granted at the end of Q4-2020.

Addendum A: Ms Mary Beth Vitale will receive the following compensation in recognition of her additional responsibilities and services as interim Chairman of the Board:

Joining option grant:	Increased from 100,000 to 150,00 stock options per <u>Schedule I</u> above.
Total compensation:	\$90,000 Board Fees \$20,000 Chair of Nom. & Corp. Gov. Committee \$30,000 Member of each of the Audit; Compensation; and Business & Strategy Committees \$130,000 Chairmanship of Board <u>\$270,000</u>

Extraordinary Performance 2020 to be determined in future by the Compensation Committee, if applicable.

Addendum B: Yves van Sante as non-Independent Director since 1st January, 2020 will receive the \$90,000 annual Board retainer plus an additional \$90,000 per annum (instead of his existing \$75,000 per annum for additional Board duties), to continue to provide additional services including supporting capital raise initiatives and continuing to serve as directors of local legal entities.

Extraordinary Performance 2020 to be determined in future by the Compensation Committee, if applicable.

EXHIBIT T-3

[Indemnification Claim of Robert Lippert]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Robert Lippert</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Robert Lippert</u> <u>James Goldfarb</u> <u>Davis Wright Tremaine LLP</u> <u>1185 Avenue of the Americas, 21st Floor</u> <u>New York, NY 10036, United States</u>	
	Contact phone <u>212-880-3999</u>	Contact phone _____
	Contact email <u>jamesgoldfarb@dwt.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7.	How much is the claim? \$ <u>18,750.00</u>	Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached - unpaid compensation and indemnification.</u>	
9.	Is all or part of the claim secured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <div style="margin-left: 40px;"> Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Amount necessary to cure any default as of the date of the petition: \$ _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable </div>	
10.	Is this claim based on a lease? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____	
11.	Is this claim subject to a right of setoff? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____	



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/19/2022
MM / DD / YYYY

/s/Robert Lippert
Signature

Print the name of the person who is completing and signing this claim:

Name Robert Lippert
First name Middle name Last name

Title _____

Company _____

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____

Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Robert Lippert James Goldfarb Davis Wright Tremaine LLP 1185 Avenue of the Americas, 21st Floor New York, NY, 10036 United States Phone: 212-880-3999 Phone 2: Fax: Email: jamesgoldfarb@dwt.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attached - unpaid compensation and indemnification.	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 18,750.00	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Robert Lippert on 19-Aug-2022 7:03:46 p.m. Eastern Time Title: Company:		

ATTACHMENT TO PROOF OF CLAIM

Robert Lippert submits this claim for all obligations owed to Mr. Lippert by Pareteum Corporation (“Pareteum”) and its affiliated debtors (together with Pareteum, the “Debtors”), including all obligations arising under or in connection with Pareteum’s Bylaws, the October 14, 2018 Appointment Letter for Pareteum Corporation Board of Directors (the “Appointment Letter”), the January 3, 2020 Written Consent of the Compensation Committee of the Board of Directors of Pareteum (the “January 3, 2020 BOD Consent”), and the May 12, 2022 Minutes of a Meeting of the Independent Directors & Management of Pareteum (the “May 12, 2022 Minutes”). The Bylaws are attached as Appendix C of the July 26, 2011 Proxy Statement of Elephant Talk Communications, Inc. (the “Proxy Statement”).¹ The Proxy Statement is attached as Exhibit 3.3 of the June 18, 2019 Registration Statement of Pareteum (the “Registration Statement”).² Copies of the Appointment Letter and the January 3, 2020 BOD Consent are attached as Exhibits A and B. The May 12, 2022 Minutes have not yet been executed and therefore are not attached here.

On May 15, 2022 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The Debtors’ cases are jointly administered under Case No. 22-10615.

Mr. Lippert served as an independent director on the Pareteum Board of Directors from November 16, 2018 through July 11, 2022.³ The remuneration of an independent director consisted of a \$90,000.00 annual retainer and a \$10,000 fee per committee per year, plus an additional \$20,000 per year for serving as the chair of the Audit Committee and \$10,000 per year for serving as the chair of another committee. See Appointment Letter, as revised by the January 3, 2020 BOD Consent. It was established in the May 12, 2022 Minutes that the independent directors were going to defer but not waive the remaining \$71,000.00 accrued before the Petition Date. Of that figure, \$18,750.00 is owed by the Debtors to Mr. Lippert.

¹ Elephant Talk Communications Corp. changed its name to Pareteum Corporation on November 1, 2016.

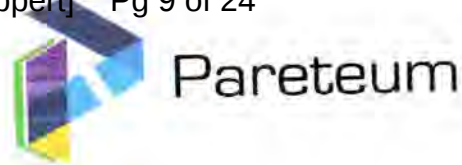
² See https://www.sec.gov/Archives/edgar/data/1084384/000114420411042184/v229571_def14a.htm for a copy of the Proxy Statement, including the Bylaws attached as Appendix C, and https://www.sec.gov/Archives/edgar/data/1084384/000114420419031376/tv523640_s3.htm for a copy of the Registration Statement.

³ See https://www.sec.gov/Archives/edgar/data/0001084384/000114420418061247/tv507644_8-k.htm for a copy of Form 8-K, dated November 16, 2018, reflecting the appointment of Mr. Lippert as an independent director. See also <https://www.sec.gov/ix?doc=/Archives/edgar/data/1084384/000119312522208829/d362279d8k.htm> for a copy of Form 8-K, dated July 11, 2022, reflecting the resignation of Mr. Lippert as an independent director.

The obligations owed by the Debtors to Mr. Lippert also include rights of indemnification arising under the Bylaws and Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”). These indemnification rights include, but are not limited to, rights with respect to four separate actions (collectively, the “Indemnification Actions”): (i) Sabby Volatility Warrant Master Fund, Ltd. v. Pareteum Corp., et al., No. 19-cv-10460-AKH (S.D.N.Y.), an individual action filed on November 11, 2019 alleging claims under the Securities Act of 1933, breach of contract, and contractual indemnification; (ii) William Miller, derivatively on behalf of Pareteum Corp. v. Victor Bozzo, et al., No. 651381/2020 (N.Y. Sup. Ct. N.Y. Cnty.), a derivative action filed on February 28, 2020 alleging breach of fiduciary duty, unjust enrichment, and waste of corporate assets; (iii) Douglas Loskot v. Pareteum Corp., et al., 20-CIV-02279 (Cal. Super. Ct., San Mateo Cnty.), a putative class action filed on May 29, 2020 alleging claims under the Securities Act of 1933; and (iv) In re Pareteum Corporation Stockholder Derivative Litigation, No. 1:20-cv-06264-AKH (S.D.N.Y.), a derivative action filed on February 5, 2020 alleging claims under the Securities Exchange Act of 1934, breach of fiduciary duty, and unjust enrichment. The indemnification damages relating to the Indemnification Actions are presently unliquidated and may include the costs of defense (if not reimbursed by one or more insurance carriers) and any adverse judgments.

Mr. Lippert submits this claim to preserve all his rights, including any rights of setoff, any rights of recoupment, and rights that are unmatured or that may be contingent, unliquidated, or unknown. Mr. Lippert reserves the right to file additional claims and to amend or supplement this claim, including by (a) specifying the dollar amount of any part of the claim that is not stated in specific amounts herein, (b) specifying the amounts owed to Mr. Lippert to the extent not set forth herein, including indemnification rights, and (c) specifying additional amounts arising before, on, or after the bankruptcy filing, including attorneys’ fees. By filing this claim, Mr. Lippert is not waiving any jury-trial right nor any right to object to the entry of final orders and judgments by the U.S. Bankruptcy Court for the Southern District of New York.

EXHIBIT A



VIA EMAIL ONLY: rob@theleadershiplabllc.com

October 14, 2018

Mr. Robert Lippert

Windward Point Road

Columbia, South Carolina 29212

Re: Pareteum Corporation Board of Directors

Dear Mr. Lippert:

We are pleased to include you as a nominee for the Board of Directors (the "**Board**") of Pareteum Corp., a Delaware corporation (the "**Company**") as an independent director, effective as of November 16, 2018 subject to your election as a director by the Company's stockholders at the next annual stockholders meeting. If you are willing to serve on the Board, we will promptly seek the appropriate corporate approvals to effect your nomination and election to the Board, which we anticipate will be ratified at the next Annual Meeting of Stockholders in or around August 2019. You should be aware that we do not have a classified board. Therefore, all directors are re-elected annually by our stockholders.

As we have discussed, we believe that your background and experience would make you a valuable addition to our Board as an independent director. As you may be aware, the laws, regulations and listing standards regarding director independence are complex and fact intensive. Accordingly, prior to approving your proposed nomination, we would work with you to confirm our mutual understanding that you are eligible to serve as an independent director.

This letter outlines the terms of our agreement regarding your service on the Board.

1. Meetings. Subject to any different approach that the Board may determine in the future, we currently expect to have between 4 and 8 Board meetings per year. In addition, we may schedule Board conference calls from time to time. Our meetings are held both in-person and telephonically, with the in-person meetings typically being held in London, England or New York, New York, but occasionally we may meet at other



locations. If you agree to serve on any committee of the Board, the committee meeting schedule and frequency will be as determined by the committee.

2. Conference Calls and Written Consents. As noted above, in addition to in-person Board meetings, we may have Board conference calls from time to time to keep the Directors up to speed on developments in the business. We occasionally take action by unanimous written consent when quick Board action is necessary, and we ask that you be responsive in those circumstances.

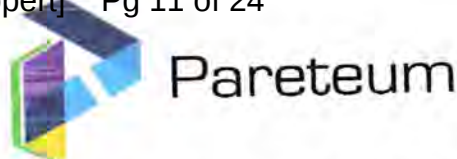
3. Confidentiality. Directors may receive informational packages prior to each meeting and, as part of their fiduciary duty to the Company, will be expected to retain the confidentiality of all information that they obtain regarding the Company. Additionally, the terms of that certain Non-Disclosure Agreement, of even date herewith, is attached hereto and incorporated herein by reference as Exhibit A.

4. Compensation; Indemnification. Our independent directors currently receive an annual retainer of US \$ 80,000. Our independent directors also receive an additional fee of US \$ 10,000 for each Board committee the director serves on (subject to a fee cap for multiple committee membership of \$ 20,000), as well as an additional \$30,000 for service as Chairman of the Audit Committee. (collectively, "**Remuneration**"). Board fees are paid quarterly in arrears.

During your first year in service as a Director of the Board, at least one half of your Remuneration will be automatically converted into shares of the Company's common stock. The conversion price per share will take place at a twenty five percent (25%) discount to the average closing price of the Company's common stock during the last ten (10) trading days of the then-current fiscal quarter (the "Market Price"), such that the conversion price-per-share shall be equal to the Market Price * seventy five percent (75%). For all remaining Remuneration, you may elect to receive payment in cash or convert all or a portion of such Remuneration to shares of common stock of the Company at the beginning of the then-current fiscal quarter.

As a member of the Board, you will be reimbursed for reasonable travel and other costs incurred in connection with attending Board meetings and other business-related matters requested by the Company. Such reimbursement shall be subject to the Company's standard procedures and policies as may exist from time to time. The Company's organizational documents contain standard indemnification and exculpation clauses designed to protect directors to the maximum extent permitted under Delaware law. We also intend to procure a reasonable amount of directors and officers liability insurance.

As a non-employee director (unless otherwise required by law), the Company will not withhold any sums or payments made to you for social security or other federal,



state or local tax liabilities or contributions, and all withholdings, liabilities, and contributions shall be solely your responsibility.

To indicate your understanding and acceptance of this offer, please sign and date this letter in the space provided below and return it to me. By signing this letter you also represent that the execution and delivery of this agreement and the fulfillment of the terms hereof will not require the consent of another person, or constitute a default under or conflict with any agreement or other instrument to which you are bound or a party.

We look forward to your service on the Board and hope that you will find service on the Board to be an exciting challenge and a worthwhile opportunity. This offer must be accepted on or before October 26, 2018.

* * *

Sincerely,

PARETEUM CORPORATION

Robert H. Turner, Executive Chairman

ACCEPTED AND AGREED:

Robert Lippert



NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (the "Agreement") is made and entered into effective October 14, 2018 by and between **Pareteum Corporation**, a Delaware corporation having its corporate address at: 1185 Avenue of the Americas, 37th Floor, New York City, New York 10036, USA, and Mr. Robert Lippert, having his address at ____ Windward Point Road, South Carolina 29212, either both of which may be hereinafter referred to as "the Party" or "the Parties."

WHEREAS

The Parties desire to discuss and to exchange information in contemplate of Mr. Lippert Joining the board of directors of Pareteum Corporation. In order to facilitate these discussions and in order for the Parties to receive from each other, either orally or in writing, certain technical and business information under terms that will protect the confidential and proprietary nature of such information, the Parties have entered into this Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS;

- 1. The Definition of "Confidential Information":** The term "Confidential Information" shall mean all information disclosed by one Party to the other Party, whether orally, in written, electronic or other format, and whether disclosed by a Party's agents, principals, employees or representatives, and whether to the other Party's agent's principals, employees or representatives. "Confidential Information" shall include, without limitation, all ideas improvements, inventions, methodologies, works and other innovations of any kind, authored, conceived, developed, made or reduced to practice by the disclosing Party, whether or not eligible for copyright, patent, trademark, trade secret or other legal protection (including, without limitation, formulas, processes, databases, mechanical and electronic hardware, electronic components, computers and their parts, computer programs and their documentation, encoding techniques, marketing and new product plans, production, processes, advertising, packaging and marketing techniques, marketing plans, product plans, technical plans, business strategies, strategic alliances and partners, financial information, engineering data, methodologies and processes, forecasts, personnel information, customer and prospective customer lists, trade secrets, product design, capabilities, specifications, the identify of potential and actual customers, and suppliers and all documentation, materials and media provided by one Party to the other).



2. Protection of "Confidential Information": In consideration of each Party's disclosure of Confidential Information to the other Party, each Party agrees with respect to the Confidential Information received from the other Party, that it:

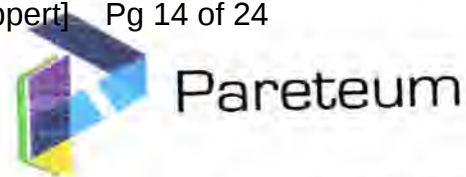
- (a) shall maintain such Confidential Information in the strictest confidence;
- (b) shall not disclose, transfer or otherwise make available any of such Confidential Information to any third party, unless such Confidential Information must be disclosed for the purposes contemplated herein, or under legal compulsion to disclose any such Confidential Information, in which event each Party shall, prior to such disclosure, obtain written consent from the other Party and obtain from the third person a written agreement acknowledging the binding effect of these restrictions regarding the Confidential Information; and
- (c) shall not directly, indirectly or in concert with any person, use the Confidential Information for any purpose other than evaluating the prospective business relationship with the other Party in accordance with the introduction.

Each Party shall take reasonable measures to protect the Confidential Information of the other Party. Those measures shall not be less than the measures taken to protect the receiving Party's own confidential information. Confidential Information of the other Party may be provided to a Party's employees only on a need-to-know basis, and prior to such provision, the Party will notify each employee to whom such disclosure is made that such Confidential Information is received in confidence and shall be kept in confidence by such employee.

3. Excluded Information: This Agreement shall not apply to any information:

- (a) that has been or which becomes publicly known, through no wrongful act of either Party;
- (b) that information that was previously known to either Party prior to the date of this Agreement;
- (c) which is required to be disclosed in order to comply with applicable law or regulation or with any requirement imposed by judicial or administrative process or any governmental or court order.

4. No Licenses or Warranties: Each Party's Confidential Information and all rights thereto shall remain such Party's sole property. Each Party recognizes that the disclosure of Confidential Information by the disclosing Party shall not be construed



as granting any rights, by license or otherwise, concerning any Confidential Information, except as may be explicitly created by this Agreement. Each Party acknowledges that the other Party's Confidential Information includes valuable trade secrets. Neither Party has any obligation to disclose Confidential Information to the other Party. NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY, COMPLETENESS, CONDITION, FITNESS and MERCHANTABILITY, OR PERFORMANCE OF ITS CONFIDENTIAL INFORMATION.

5. **Remedies:** If either Party causes a disclosure of the other Party's Confidential Information in breach of the terms of this Agreement, the disclosing Party shall immediately report in writing the disclosure to the other Party and shall save, defend, indemnify and hold the non-disclosing Party harmless from and against any and all liability and damages suffered by the non-disclosing Party arising therefrom. In addition to the foregoing and without limitation thereof, the disclosing Party shall cooperate in prosecuting any claims against third parties for unauthorized use of any Confidential Information. Each Party acknowledges that unauthorized disclosure, use or disposition, whether actual or threatened, of any Confidential Information shall cause irreparable harm, loss of business and significant injury to the disclosing Party, the scope of which would be difficult to ascertain. Each Party agrees, therefore, that the disclosing Party has the right to obtain an immediate injunction against any breach, threatened breach or attempted breach of this Agreement, in addition to any other remedies that may be available at law, including without limitation, the recovery of expenses, costs and attorney's fees arising out of such breach, threatened breach or attempted breach.
6. **Return of "Confidential Information":** All Confidential Information shall be returned to the disclosing Parties promptly upon written request or, at the election of the disclosing Party, the Party that received the Confidential Information shall certify said information has been destroyed and is no longer useable in any format.
7. **Securities:** Parties hereby acknowledge, covenant and agree that they are aware that United States securities laws may prohibit any person who has material, non-public information about a company (including a Party) from purchasing or selling, directly or indirectly, securities of a company (including the Parties), or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
8. **Prohibition of Disclosure:** Neither Party hereto shall in any way or in any form distribute, disclose, publicize, issue press releases, or advertise in any manner, including, but not limited to, making representation in court pleadings, except as required by law, the discussions that gave rise to this Agreement, the discussions or



negotiations covered by this Agreement, this Agreement or the Confidential Information provided pursuant to this Agreement, without first obtaining the prior written consent of the other Party.

9. **Term, Assignment and Survival:** This Agreement shall be valid unless terminated by mutual written Agreement. Each Party's obligations with respect to the Confidential Information, including but not limited to, sections 2,4,5,6 shall survive the termination of this Agreement and/or return of all Confidential Information from the latter date of either termination or return of such information. Neither this Agreement nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by either Party.
10. **Governing Law; Jurisdiction:** This Agreement shall be governed and construed in accordance with the laws of the State of New York, United States of America. In the event of any disputes arising under this Agreement, the undersigned Parties without regard to any principles of conflicts of laws and waiving any defenses of forum non conveniens hereby submit to the exclusive personal and subject matter jurisdiction of the State and Federal Courts situated in the Borough of Manhattan, New York, New York.
11. **Waiver:** No failure by either Party to exercise any rights arising from default by the other Party shall impair that right or constitute a waiver of it. No waiver by either Party of any covenant to be performed by the other shall constitute a waiver of any later breach of covenant.
12. **Counterparts:** This Agreement may be executed in two signed copies, each of which when taken together shall be deemed but one original.
13. **Severability:** The validity or unenforceability of any provision or provisions of this Agreement shall no affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
14. **Entire Agreement; Amendment:** This Agreement contains the entire understandings between and among the Parties and supersedes any prior understanding and agreements among them respecting the subject matter hereof. No amendment to this Agreement shall be valid unless set forth in writing and signed by both Parties.
15. **Notices:** All notices required or permitted hereunder shall be in writing and shall be sent by nationally recognized overnight courier service, or by registered or certified mail, to the addresses stated in the heading of this Agreement. Unless otherwise specified, notices shall be deemed given when the return receipt is received.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date and year written above.

Pareteum Corporation

Name:

Robert H. Turner, Executive Chairman

Name: Robert Lippert

EXHIBIT B

**WRITTEN CONSENT
OF THE
COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
PARETEUM CORPORATION
(a Delaware Corporation)**

The undersigned, being all of the members of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Pareteum Corporation, a Delaware corporation (the “Company”), do hereby unanimously consent to the adoption of the following resolutions without a meeting, effective as of January 3, 2020, pursuant to Section 141(f) of the Delaware General Corporation Law (the “DGCL”).

WHEREAS, the Committee recently undertook a review of past and future Director remuneration matters, in particular taking note of the extraordinary contributions towards the Company in challenging circumstances;

WHEREAS, by resolution dated December 31, 2019, the Committee revoked certain awards to Directors in respect of services and performance rendered during the calendar year 2018 (the “Original 2018 Awards”) and seeks to replace such Original 2018 Awards as set forth herein (the “Revised 2018 Awards”);

WHEREAS, the Committee wishes to make equity awards to certain Directors for ordinary Board fees taken in equity in lieu of cash for services and performance rendered during the calendar year 2019 (the “Ordinary 2019 Awards”);

WHEREAS, the Committee seeks to make equity awards to Directors for extraordinary duties, services and dedication to the Company in 2019 (the “Extraordinary 2019 Awards” and together with the Ordinary 2019 Awards the “2019 Awards”);

WHEREAS, the Committee seeks to establish new or amended compensation levels for all Directors for 2020 and beyond (the “Revised Compensation”);

WHEREAS, the Committee seeks to implement and ratify appropriate compensation for the Interim Chairman of the Board with effect from her starting date of November 22, 2019 (the “Chair Compensation”);

WHEREAS, the Committee seeks to implement and ratify appropriate compensation for Mr. Yves van Sante as a result of his resignation from the Committees of the Board (the “van Sante Compensation”);

WHEREAS, certain of the Revised 2018 Awards, the 2019 Awards, the Revised Compensation, the Chair Compensation, and the van Sante Compensation shall include shares of the Company’s common stock, par value \$0.00001 per share (“Common Stock”) in the amounts set forth in the schedules attached hereto, or options to acquire shares of the Company’s Common Stock (“Options”) in the amounts and vesting in accord with the schedules attached hereto; and

WHEREAS, the Committee seeks to implement and ratify such other awards and equity grants as described herein.

NOW, THEREFORE, BE IT:

RESOLVED, that the Committee hereby ratifies and approves the Revised 2018 Awards, comprised of Common Stock and Options, to be awarded to those named Directors and Officers as set forth in Schedule I (Directors & Officers 2018 Equity Awards) attached hereto, and any such Original 2018 Awards are hereby canceled in their entirety; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Extraordinary 2019 Awards, comprised of Common Stock and Options, to be awarded to those Directors set forth in Schedule II (2019 Directors Extraordinary Equity Awards) attached hereto; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Ordinary 2019 Awards, comprised of Common Stock and Options, to those Directors set forth in Schedule III (2019 Directors Board Fees) in lieu of cash settlement of Board fees for the calendar year 2019; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Revised Compensation, being the new compensation model for all independent directors, effective from January 1, 2020, as specified in Schedule IV – Directors Fees Remuneration Changes attached hereto; and it is further

RESOLVED, that the Committee hereby ratifies and approves the Vitale Compensation in consideration for Ms. Vitale’s services as Interim Chairman of the Board as set forth in Schedule IV - Addendum A; and it is further

RESOLVED, that the Committee hereby ratifies and approves van Sante Compensation for Mr. van Sante as a Director of the Board and as described in Schedule IV - Addendum B; and it is further

RESOLVED, that the authorized officers (including the Corporate Secretary) are hereby authorized to prepare, or instruct legal counsel to prepare on behalf of the Company, such agreements, amendments or restatements to agreements, and any and all other ancillary documents as may be required to give effect to the foregoing resolutions, in particular to effect the Revised Compensation for all Directors as set forth in Schedule IV; and it is further

RESOLVED, that the issuances of shares of Common Stock awarded pursuant to the schedules hereto (the “Common Stock Awards”) and the grant of the Options awarded pursuant to the schedules hereto (the “Option Awards”) are hereby ratified and approved in their entirety, and that the shares of Common Stock issued pursuant to the Common Stock Awards and all shares of Common Stock underlying the Option Awards shall, upon issuance, be duly authorized, validly issued, fully paid, and non-assessable; and it is further

RESOLVED, that the authorized officers be, and each of them hereby is, authorized and directed to do or perform or cause to be done and performed all such acts, deeds and things and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments or certificates in the name or on behalf of the Corporation, as each such person may deem necessary or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions; and it is further

RESOLVED, that that all actions, executions, and delivery of documents instruments and agreements taken by any officer of the Corporation prior to this date relating to the purpose and intent of the foregoing resolutions be, and they hereby are, in all respects approved, ratified, confirmed and adopted as the official acts and deeds of the Corporation; and it is further

RESOLVED, this consent may be executed in multiple counterparts, all of which when taken together shall constitute one and the same consent; and it is further

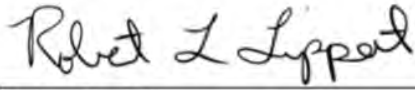
RESOLVED, that this consent may be executed by facsimile signature and upon such execution shall have the same force and effect as an original.

[SIGNATURE PAGE FOLLOWS]

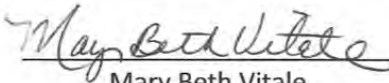
IN WITNESS WHEREOF, the undersigned, being all of the members of the Committee, consent hereto in writing as of the date first written above and direct that this instrument be filed with the minutes of proceedings of the Committee of the Board.



Luis Jimenez-Tuñon
Director (Chairman)



Robert L. Lippert
Director



Mary Beth Vitale
Director & Board Chairman

Named Director or Officer	Title	Amount (Options/Shares)	Exercise Price	Vesting	Comment
<i>Directors</i>					
Mary Beth Vitale	Independent Director (Chairman)	100,000 Options	\$0.36 (closing price day of Grant and appointment to Board / 1 st November 2019)	Fully vested	Contractual Joining Award
		50,000	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	Increased joining award due to Additional Chairman Appointment
Yves van Sante	Independent Director (until December 31 st , 2019)	150,000 Options	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Luis Jimenez-Tuñon	Independent Director	150,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Robert Lippert	Independent Director	150,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Laura Thomas	Interim CFO (former Director)	75,000 Shares	N/A	Fully vested	2018 Award (replaces 3 rd January 2019 revocation)
Alexander Korff	Corporate Secretary	175,000 Shares	N/A	75,000 immediately; 1/24 th per month starting 1 st October 2019	2018 Award and Contract Renewal

Named Director or Officer	Title	Amount (Options/Shares)	Exercise Price	Vesting	Comment
<i>Directors</i>					
Mary Beth Vitale	Independent Director (Chairman)	58,333 Options	\$0.43 (Options) (closing price day of grant / 3 rd January, 2020)	Fully vested	2019 Extraordinary Grant (pro-rata of 350,000 shares for period of engagement: November 1 st , 2019 to December 31 st , 2019)
Yves van Sante	Independent Director	350,000 Options	\$0.43 (closing price day of grant / 3 rd January 2020)	Fully vested	2019 Extraordinary Grant
Luis Jimenez-Tuñon	Independent Director	350,000 Shares	N/A	Fully vested	2019 Extraordinary Grant
Robert Lippert	Independent Director	350,000 Shares	N/A	Fully vested	2019 Extraordinary Grant

Named Director	Time Period	Amount Options/shares)	Exercise Price	Vesting / Comment
Mary Beth Vitale (Chairman)	1 st November 2019	103,239 options	\$0.43 (closing price day of grant / 3 rd January 2020)	Immediate vesting
Yves van Sante	Full year 2019	N/A		All fees were paid in cash
Luis Jimenez-Tuñon	Full year 2019	134,555 shares	N/A	Immediate vesting (in lieu of \$110,000 fees for full year 2019)
Robert Lippert	Full year 2019	159,020 shares	N/A	Immediate vesting (in lieu of \$130,000 fees for full year 2019)

This Schedule sets out the revised Independent and Non-Executive Director Fees and Remuneration arrangements to be effective from January 1, 2020 onwards.

- Board Retainer \$90,000 per annum
- Committee Membership Fee \$10,000 per Committee (uncapped) per annum
- Audit Committee Chairmanship \$20,000 per annum
- Other Committee Chairmanship(s) \$10,000 per annum

These Board fees may be taken in cash, options or stock at each Directors' election.

Stock/options are granted quarterly in arrears and vest immediately, and are calculated using the VWAP of the last 10 days of each quarter closing.

Extraordinary Awards for 2020 will be determined by the Compensation Committee half-yearly, first in May 2020 with an award to be granted at the end of Q2-2020, and then again in November 2020, to be granted at the end of Q4-2020.

Addendum A: Ms Mary Beth Vitale will receive the following compensation in recognition of her additional responsibilities and services as interim Chairman of the Board:

Joining option grant: Increased from 100,000 to 150,00 stock options per Schedule I above.
Total compensation: \$90,000 Board Fees
\$20,000 Chair of Nom. & Corp. Gov. Committee
\$30,000 Member of each of the Audit; Compensation; and Business & Strategy Committees
\$130,000 Chairmanship of Board
\$270,000

Extraordinary Performance 2020 to be determined in future by the Compensation Committee, if applicable.

Addendum B: Yves van Sante as non-Independent Director since 1st January, 2020 will receive the \$90,000 annual Board retainer plus an additional \$90,000 per annum (instead of his existing \$75,000 per annum for additional Board duties), to continue to provide additional services including supporting capital raise initiatives and continuing to serve as directors of local legal entities.

Extraordinary Performance 2020 to be determined in future by the Compensation Committee, if applicable.

EXHIBIT T-4

[Indemnification Claim of Victor Bozzo]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Victor Bozzo</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____											
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____											
3. Where should notices and payments to the creditor be sent?	<table><tr><th>Where should notices to the creditor be sent?</th><th>Where should payments to the creditor be sent? (if different)</th></tr><tr><td colspan="2">Victor Bozzo Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY 10111</td></tr><tr><td>Contact phone <u>212-589-4625</u></td><td>Contact phone _____</td></tr><tr><td>Contact email <u>msabella@bakerlaw.com</u></td><td>Contact email _____</td></tr><tr><td colspan="2">Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____</td></tr></table>		Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)	Victor Bozzo Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY 10111		Contact phone <u>212-589-4625</u>	Contact phone _____	Contact email <u>msabella@bakerlaw.com</u>	Contact email _____	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)											
Victor Bozzo Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY 10111												
Contact phone <u>212-589-4625</u>	Contact phone _____											
Contact email <u>msabella@bakerlaw.com</u>	Contact email _____											
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____												
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY											
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____											



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: __ __ __ __
7. How much is the claim?	\$ <u>Undetermined</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attachment.</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).**Amount entitled to priority**

\$ _____

☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Victor Bozzo
Signature

Print the name of the person who is completing and signing this claim:

Name Victor Bozzo
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Victor Bozzo Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attachment.	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: Undetermined	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Victor Bozzo on 22-Aug-2022 12:41:53 p.m. Eastern Time Title: Company:		

United States Bankruptcy Court for the Southern District of New York		
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)		
<input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617)	<input type="checkbox"/> iPass, Inc. (Case No. 22-10618) <input type="checkbox"/> iPass IP LLC (Case No. 22-10619) <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620)	<input type="checkbox"/> Artillum Group Ltd. (Case No. 22-10621) <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623)

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 603(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Victor Bozzo</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? <u>Michael A. Sabella, Esq. at Baker & Hostetler LLP</u> Name <u>45 Rockefeller Plaza</u> Number Street <u>New York</u> <u>NY</u> <u>10111</u> City State ZIP Code <u>USA</u> Country Contact phone <u>212-589-4625</u> Contact email <u>Msabella@bakerlaw.com</u>	Where should payments to the creditor be sent? (if different) Name Number Street City State ZIP Code Country Contact phone _____ Contact email _____
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on <u>MM / DD / YYYY</u>	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim?
\$ See attachment Does this amount include interest or other charges?
☐ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

See attachment

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 603(b)(9)?

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date

08 / 18 / 2022
MM / DD / YYYY


Signature

Print the name of the person who is completing and signing this claim:

Name Victor Bozzo

First name

Middle name

Last name

Title _____

Company _____

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

5 Countryside Road

Number Street

Ringoes, NJ 08551

City

State

ZIP Code

Country

Contact phone _____

Email _____

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Victor Bozzo

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Prior to the Petition Date, Victor Bozzo ("Creditor") served as a Chief Executive Officer for Pareteum Corporation, as well as other roles. In such capacities, Creditor was covered by one or more of Debtor's insurance policies (collectively, the "Insurance Policies").

Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy.

1. As an officer of Debtor, Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.
Argonaut Insurance Company Policy No. ML 7602071-2 (the "Argonaut Policy")
XL Specialty Insurance Company Policy No. ELU162673-19 (the "XL Specialty Policy")
Wesco Insurance Company Policy No. EUW1522653 01

(the "Wesco Policy")
North River Insurance Company Policy No. 577-100419-2 (the "Crum & Forster Policy")
XL Insurance Company Policy No. ELU162674-19 (the "Side A Policy")

2. Any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a waiver of Creditor's right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor's Claim shall not constitute, or be construed as, Creditor's consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-5

[Indemnification Claim of Denis McCarthy]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Denis Edward McCarthy</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Denis Edward McCarthy</u> <u>Michael A. Sabella, Esq.</u> <u>Baker Hostetler LLP</u> <u>45 Rockefeller Plaza</u> <u>New York, NY 10111</u>	
	Contact phone <u>212-589-4625</u>	Contact phone _____
	Contact email <u>msabella@bakerlaw.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☒ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____

7. How much is the claim?

\$ Undefined

Does this amount include interest or other charges?

☐ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Legal and other expenses regarding indemnification of officer

9. Is all or part of the claim secured?

☒ No

☐ Yes. The claim is secured by a lien on property.

Nature or property:

☐ Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____%

☐ Fixed

☐ Variable

10. Is this claim based on a lease?

☒ No

☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff?

☒ No

☐ Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Denis Edward McCarthy
Signature

Print the name of the person who is completing and signing this claim:Name Denis Edward McCarthy

First name

Middle name

Last name

Title _____

Company _____

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____

Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Denis Edward McCarthy Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: Legal and other expenses regarding indemnification of officer	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: Undefined	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Denis Edward McCarthy on 22-Aug-2022 1:17:33 p.m. Eastern Time Title: Company:		

United States Bankruptcy Court for the Southern District of New York

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) | <input type="checkbox"/> iPass, Inc. (Case No. 22-10618) | <input type="checkbox"/> Artium Group Ltd. (Case No. 22-10621) |
| <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) | <input type="checkbox"/> IPass IP LLC (Case No. 22-10619) | <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) |
| <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617) | <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620) | <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623) |

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?	Denis Edward McCarthy Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Michael Sabella Name 45 Rockefeller Plaza Number Street New York NY 10111 City State ZIP Code Country Contact phone (212) 589-4625 Contact email msabella@bakerlaw.com Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) Name Number Street City State ZIP Code Country Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☐ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____

7. How much is the claim?

\$ Undefined

Does this amount include interest or other charges?

☒ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Legal and other expenses regarding indemnification of officer (See addendum)

9. Is all or part of the claim secured?

☒ No

☐ Yes. The claim is secured by a lien on property.

Nature of property:

☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____%

☐ Fixed

☐ Variable

10. Is this claim based on a lease?

☒ No

☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff?

☒ No

☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:

Amount entitled to priority

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/16/2022

MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name	Denis	Edward	McCarthy
	First name	Middle name	Last name
Title	_____		
Company	_____		
	Identify the corporate servicer as the company if the authorized agent is a servicer.		
Address	17 Boyd Ct.		
	Number	Street	
	Pleasant Hill	CA	94523 U.S.A.
	City	State	ZIP Code Country
Contact phone	(925) 787 - 6518		Email denis.mccarthy14@gmail.com

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Denis McCarthy

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Prior to the Petition Date, Denis McCarthy ("Creditor") served as a Senior Vice President of Corporate Development, President, and Chief Operating Officer for Debtor. In such capacities, Creditor was covered by one or more of Debtor's insurance policies (collectively, the "Insurance Policies").

Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy. Further:

1. In his roles for the Debtor as noted herein, Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.
Argonaut Insurance Company Policy No. ML 7602071-2 (the "Argonaut Policy")
XL Specialty Insurance Company Policy No. ELU162673-19 (the "XL Specialty Policy")
Wesco Insurance Company

Policy No. EUW1522653 01 (the “Wesco Policy”)
North River Insurance Company Policy No. 577-100419-2 (the “Crum & Forster Policy”)
XL Insurance Company Policy No. ELU162674-19 (the “Side A Policy”)

2. Any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a waiver of Creditor’s right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor’s Claim shall not constitute, or be construed as, Creditor’s consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-6

[Indemnification Claim of Robert Mumby]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Robert Mumby</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Robert Mumby</u> <u>Michael A. Sabella, Esq.</u> <u>Baker Hostetler LLP</u> <u>45 Rockefeller Plaza</u> <u>New York, NY 10111</u>	
	Contact phone <u>212-589-4625</u>	Contact phone _____
	Contact email <u>msabella@bakerlaw.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: __ __ __ __
7. How much is the claim?	\$ <u>See attachment</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attachment</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Robert Mumby
Signature

Print the name of the person who is completing and signing this claim:

Name Robert Mumby
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Robert Mumby Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attachment	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attachment	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Robert Mumby on 22-Aug-2022 1:23:59 p.m. Eastern Time Title: Company:		

United States Bankruptcy Court for the Southern District of New York

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) | <input type="checkbox"/> iPass, Inc. (Case No. 22-10618) | <input type="checkbox"/> Artium Group Ltd. (Case No. 22-10621) |
| <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) | <input type="checkbox"/> iPass IP LLC (Case No. 22-10619) | <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) |
| <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617) | <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620) | <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623) |

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?	Robert Mumby Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Michael A. Sabella, Esq. at Baker & Hostetler LLP Name _____ 45 Rockefeller Plaza Number Street NY 10111 City State ZIP Code USA Country _____ Contact phone 212-589-4625 Contact email Msabella@bakerlaw.com	Where should payments to the creditor be sent? (if different) Name _____ Number Street _____ City State ZIP Code _____ Country _____ Contact phone _____ Contact email _____ Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☒ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____ _

7. How much is the claim?

\$ See attachment

Does this amount include interest or other charges?

☐ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

See attachment

9. Is all or part of the claim secured?

☒ No

☐ Yes. The claim is secured by a lien on property.

Nature of property:

☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____%

☐ Fixed

☐ Variable

10. Is this claim based on a lease?

☒ No

☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff?

☒ No

☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:**Amount entitled to priority**☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

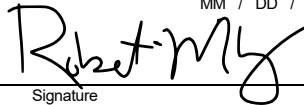
I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

08/21/2022

Executed on date

MM / DD / YYYY



Signature

Print the name of the person who is completing and signing this claim:

Robert Mumby

Name

First name

Middle name

Last name

Title

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

900 West Ave, #927

Number Street
Miami Beach, FL 33139

City

State

ZIP Code

Country

Contact phone

Email

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Robert Mumby

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). As the former Chief Revenue Officer for Debtor, Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy.

1. Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.
Argonaut Insurance Company Policy No. ML 7602071-2 (the "Argonaut Policy")
XL Specialty Insurance Company Policy No. ELU162673-19 (the "XL Specialty Policy")
Wesco Insurance Company Policy No. EUW1522653 01 (the "Wesco Policy")
North River Insurance Company

Policy No. 577-100419-2 (the "Crum & Forster Policy")
XL Insurance Company Policy No. ELU162674-19 (the "Side A Policy")

2. Any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a waiver of Creditor's right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor's Claim shall not constitute, or be construed as, Creditor's consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-7

[Indemnification Claim of Edward O'Donnell]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Edward O'Donnell</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Edward O'Donnell</u> <u>Michael A. Sabella, Esq.</u> <u>Baker Hostetler LLP</u> <u>45 Rockefeller Plaza</u> <u>New York, NY 10111</u>	
	Contact phone <u>212-589-4625</u>	Contact phone _____
	Contact email <u>msabella@bakerlaw.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _ _ _ _
7. How much is the claim?	\$ <u>See attachment</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attachment</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <div style="margin-left: 40px;"> Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Amount necessary to cure any default as of the date of the petition: \$ _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable </div>
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Edward ODonnell
Signature

Print the name of the person who is completing and signing this claim:

Name Edward ODonnell
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Edward ODonnell Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attachment	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attachment	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Edward ODonnell on 22-Aug-2022 1:42:42 p.m. Eastern Time Title: Company:		

United States Bankruptcy Court for the Southern District of New York

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) | <input type="checkbox"/> iPass, Inc. (Case No. 22-10618) | <input type="checkbox"/> Artium Group Ltd. (Case No. 22-10621) |
| <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) | <input type="checkbox"/> iPass IP LLC (Case No. 22-10619) | <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) |
| <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617) | <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620) | <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623) |

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?	Edward O'Donnell Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom?	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Michael A. Sabella, Esq. at Baker & Hostetler LLP Name 45 Rockefeller Plaza Number Street NY 10111 City State ZIP Code USA Country Contact phone 212-589-4625 Contact email Msabella@bakerlaw.com Uniform claim identifier for electronic payments in chapter 13 (if you use one):	Where should payments to the creditor be sent? (if different) Name Number Street City State ZIP Code Country Contact phone Contact email
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) Filed on MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing?	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7. How much is the claim?	\$ <u>See attachment</u> Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attachment</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:

Amount entitled to priority

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 8/18/22

MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name Edward O'Donnell
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address PO Box 601
Number Street
Long Beach NY 11561 USA
City State ZIP Code Country

Contact phone 917-207-7476 Email tedodonnell@yahoo.com

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Edward A. O'Donnell

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Prior to the Petition Date, Edward A. O'Donnell ("Creditor") served as a Chief Financial Officer and Officer for Pareteum Corporation. In such capacities, Creditor was covered by one or more of Debtor's insurance policies (collectively, the "Insurance Policies").

Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy.

Further, Creditor's rights to indemnification are addressed:

1. Under Article XI of Debtor's Bylaws, Debtor shall have the power to indemnify its officers.
2. Pursuant to that certain Joint Indemnification and Advancement Agreement, dated November 2019 between Creditor and Debtor.
3. Pursuant to Creditor's role with the Debtor, Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.
Argonaut Insurance Company Policy No. ML 7602071-2 (the “Argonaut Policy”)
XL Specialty Insurance Company Policy No. ELU162673-19 (the “XL Specialty Policy”)
Wesco Insurance Company Policy No. EUW1522653 01 (the “Wesco Policy”)
North River Insurance Company Policy No. 577-100419-2 (the “Crum & Forster Policy”)
XL Insurance Company Policy No. ELU162674-19 (the “Side A Policy”)

4. Pursuant to any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws, and agreements between Creditor and Debtor. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a

waiver of Creditor's right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor's Claim shall not constitute, or be construed as, Creditor's consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-8

[Indemnification Claim of Robert Turner]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Robert H. Turner</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Robert H. Turner</u> <u>Michael A. Sabella, Esq.</u> <u>Baker Hostetler LLP</u> <u>45 Rockefeller Plaza</u> <u>New York, NY 10111</u>	
	Contact phone <u>212-589-4625</u>	Contact phone _____
	Contact email <u>msabella@bakerlaw.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: __ __ __ __
7. How much is the claim?	\$ <u>See attachment</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attachment</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Robert H. Turner
Signature

Print the name of the person who is completing and signing this claim:

Name Robert H. Turner
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Robert H. Turner Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attachment	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attachment	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Robert H. Turner on 22-Aug-2022 1:49:40 p.m. Eastern Time Title: Company:		

Your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/pareteum>.

United States Bankruptcy Court for the Southern District of New York		
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)		
<input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617)	<input type="checkbox"/> iPass, Inc. (Case No. 22-10618) <input type="checkbox"/> IPass IP LLC (Case No. 22-10619) <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620)	<input type="checkbox"/> Artilium Group Ltd. (Case No. 22-10621) <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623)

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim		
1. Who is the current creditor?	<div style="border-bottom: 1px solid black; margin-bottom: 5px;">Robert H. TURNER</div> <div style="font-size: small;">Name of the current creditor (the person or entity to be paid for this claim)</div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">Hal TURNER</div> <div style="font-size: small;">Other names the creditor used with the debtor</div>	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="font-size: small; margin-top: 0;">Where should notices to the creditor be sent?</p> <p>Michael A. Sabella, Esq. at Baker & Hostetler LLP</p> <hr/> <p style="font-size: small;">Name</p> <p>45 Rockefeller Plaza</p> <hr/> <p style="font-size: small;">Number Street</p> <p>New York NY 10111</p> <hr/> <p style="font-size: small;">City State ZIP Code</p> <p>USA</p> <hr/> <p style="font-size: small;">Country</p> <p>Contact phone 212-589-4625</p> <hr/> <p style="font-size: small;">Contact email</p> <p>Msabella@bakerlaw.com</p> <hr/> <p style="font-size: small;">Uniform claim identifier for electronic payments in chapter 13 (if you use one):</p> <hr/> </div> <div style="width: 35%;"> <p style="font-size: small; margin-top: 0;">Where should payments to the creditor be sent? (if different)</p> <hr/> <p style="font-size: small;">Name</p> <hr/> <p style="font-size: small;">Number Street</p> <hr/> <p style="font-size: small;">City State ZIP Code</p> <hr/> <p style="font-size: small;">Country</p> <hr/> <p style="font-size: small;">Contact phone</p> <hr/> <p style="font-size: small;">Contact email</p> <hr/> </div> </div>	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☒

No

☐

Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____

7. How much is the claim?

\$ See attachment

Does this amount include interest or other charges?

☐

No

☐

Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

See attachment

9. Is all or part of the claim secured?

☒

No

☐

Yes. The claim is secured by a lien on property.

Nature of property:☐Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.☐

Motor vehicle

☐

Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property:

\$ _____

Amount of the claim that is secured:

\$ _____

Amount of the claim that is unsecured:

\$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition:

\$ _____

Annual Interest Rate (when case was filed) _____%☐

Fixed

☐

Variable

10. Is this claim based on a lease?

☒

No

☐

Yes. Amount necessary to cure any default as of the date of the petition.

\$ _____

11. Is this claim subject to a right of setoff?

☒

No

☐

Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:

Amount entitled to priority

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

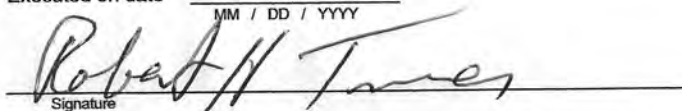
☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/18/2022

MM / DD / YYYY

 Signature

Print the name of the person who is completing and signing this claim:

Robert H. Turner

Name

First name

Middle name

Last name

Title

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

287 Windward Point Road

Number Street

Columbia SC 29212

City

State

ZIP Code

Country

Contact phone

Email

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Robert H. Turner

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Prior to the Petition Date, Robert H. Turner ("Creditor") served as a Executive Chairman, Chief Executive Officer, and director for Pareteum Corporation. In such capacities, Creditor was covered by one or more of Debtor's insurance policies (collectively, the "Insurance Policies").

Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy. Further:

1. Under Article XI of Debtor's Bylaws, "The corporation shall indemnify its directors to the fullest extent not prohibited by the DGCL or any other applicable law; *provided*, that the corporation may enter into individual contracts with its directors and, to the fullest extent permitted by law, provide for additional contractual indemnification rights"
2. Pursuant to that certain employment agreement and amendments between Creditor and Debtor.

3. Pursuant to Creditor's role with the Debtor, Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.
Argonaut Insurance Company Policy No. ML 7602071-2 (the "Argonaut Policy")
XL Specialty Insurance Company Policy No. ELU162673-19 (the "XL Specialty Policy")
Wesco Insurance Company Policy No. EUW1522653 01 (the "Wesco Policy")
North River Insurance Company Policy No. 577-100419-2 (the "Crum & Forster Policy")
XL Insurance Company Policy No. ELU162674-19 (the "Side A Policy")

4. Pursuant to any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws, and any agreements between Debtor and Creditor. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the

Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a waiver of Creditor's right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor's Claim shall not constitute, or be construed as, Creditor's consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-9

[Indemnification Claim of Yves Van Sante]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
 (State)

Case number 22-10615

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Yves Van Sante</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Yves Van Sante Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY 10111 Contact phone <u>212-589-4625</u> Contact email <u>msabella@bakerlaw.com</u>	Where should payments to the creditor be sent? (if different) Contact phone _____ Contact email _____ Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☒ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____

7. How much is the claim?

\$ See attachment

Does this amount include interest or other charges?

☐ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

See attachment

9. Is all or part of the claim secured?

☒ No

☐ Yes. The claim is secured by a lien on property.

Nature or property:

☐ Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____%

☐ Fixed

☐ Variable

10. Is this claim based on a lease?

☒ No

☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff?

☒ No

☐ Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.**Amount entitled to priority**

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022

MM / DD / YYYY

/s/Yves Van Sante

Signature

Print the name of the person who is completing and signing this claim:

Name

Yves Van Sante

First name

Middle name

Last name

Title

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Contact phone

Email



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Yves Van Sante Michael A. Sabella, Esq. Baker Hostetler LLP 45 Rockefeller Plaza New York, NY, 10111 Phone: 212-589-4625 Phone 2: Fax: Email: msabella@bakerlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attachment	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attachment	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Yves Van Sante on 22-Aug-2022 1:58:40 p.m. Eastern Time Title: Company:		

Your claim can be filed electronically on KCC's website at <https://epoc.kccilc.net/pareteum>.

United States Bankruptcy Court for the Southern District of New York		
Indicate Debtor against which you assert a claim by checking the appropriate box below: (Check only one Debtor per claim form.)		
<input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617)	<input type="checkbox"/> iPass, Inc. (Case No. 22-10618) <input type="checkbox"/> iPass IP LLC (Case No. 22-10619) <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620)	<input type="checkbox"/> Artillum Group Ltd. (Case No. 22-10621) <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623)

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>YVES VAN SANTE</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____		
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____		
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Michael A. Sabella, Esq. at Baker & Hostettler LLP</u> Name _____ <u>45 Rockefeller Plaza</u> Number Street _____ <u>New York NY 10111</u> City State ZIP Code _____ Country _____ Contact phone <u>212-589-4625</u> Contact email <u>Msabella@bakerlaw.com</u>	Where should payments to the creditor be sent? (if different) Name _____ Number Street _____ City State ZIP Code _____ Country _____ Contact phone _____ Contact email _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on ____/____/____		
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____		

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7.	How much is the claim? \$ <u>See attachment</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See attachment _____	
9.	Is all or part of the claim secured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable	
10.	Is this claim based on a lease? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____	
11.	Is this claim subject to a right of setoff? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____	

<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply: </div> <div style="text-align: right; font-weight: bold;">Amount entitled to priority</div> </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____ </div>
<p>* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.</p>	
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
☐ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

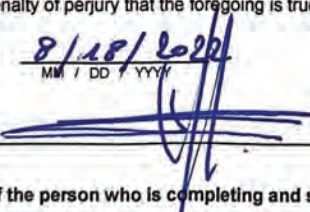
I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date

8/18/2022
MM / DD / YYYY

Signature



Print the name of the person who is completing and signing this claim:

Name

YVES ROGER VAN SANTE
First name Middle name Last name

Title

DIRECTOR

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Afsneemolenstraat 3

Number Street
9051 Afsnee Belgium

City

State

ZIP Code

Country

Contact phone

Email

In re Pareteum Corporation, Case No. 22-10615

Attachment A to Proof of Claim of Yves Van Sante

Item 7. How much is the claim?

The total amount of the Claim (as defined below) is undetermined at this time. The claim is for costs and expenses incurred in defense against certain litigations and actions relating to Creditor's (defined herein) role with the Debtor (defined herein).

Item 8. What is the basis of the claim?

On May 15, 2022 (the "Petition Date"), Pareteum Corporation ("Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Prior to the Petition Date, Yves Van Sante ("Creditor") served as a director for Pareteum Corporation. In such capacities, Creditor was covered by one or more of Debtor's insurance policies (collectively, the "Insurance Policies").

Creditor hereby asserts against the Debtor the following claim:

An unsecured, unliquidated claim in an undetermined amount, comprised of any and all claims that may arise for indemnification, contribution, reimbursement, subrogation, rescission, breach of contract, fraud, specific performance or misrepresentation relating to or arising from the terms of any and all written and oral contracts and agreements between Creditor and Debtor (collectively, including but not limited to, the Insurance Policies, the "Agreements"), and/or Creditor's rights under any of Debtor's organizational documents, including but not limited to, any limited liability company agreements, any original, amended, or restated certificates of formation or incorporation, bylaws and applicable state or other law, including but not limited to, Delaware Code Ann. Tit. 8, section 145, and similar or other provisions of Delaware, or any other applicable state's law, and any other applicable agreements or instruments, arising by contract or as matter of law or equity, based upon or relating to Creditor's relationship with Debtor. To the extent that the Insurance Policy may constitute property of Debtor's estate, which Creditor does not concede, Creditor is also entitled to indemnification as an insured person covered under such policy. Further:

1. Under Article XI of Debtor's Bylaws, "The corporation shall indemnify its directors to the fullest extent not prohibited by the DGCL or any other applicable law; *provided*, that the corporation may enter into individual contracts with its directors and, to the fullest extent permitted by law, provide for additional contractual indemnification rights"
2. As a director of Debtor, Creditor is the beneficiary of one or more liability insurance policies held by Debtor, including, but not limited to, the following insurance policies (collectively, the "Policies"):

Insurer and Policy No.

Argonaut Insurance Company Policy No. ML 7602071-2 (the “Argonaut Policy”)
XL Specialty Insurance Company Policy No. ELU162673-19 (the “XL Specialty Policy”)
Wesco Insurance Company Policy No. EUW1522653 01 (the “Wesco Policy”)
North River Insurance Company Policy No. 577-100419-2 (the “Crum & Forster Policy”)
XL Insurance Company Policy No. ELU162674-19 (the “Side A Policy”)

3. Any rights, claims and/or remedies Creditor may have, including but not limited to, claims for indemnification, contribution, rescission, breach of contract, fraud, specific performance, misrepresentation and/or subrogation, related to, arising from or on account of any and all past, present or future litigations in which Debtor and/or its respective subsidiaries, affiliates, etc. is or may become a party in interest (whether named or unnamed) and any claims asserted in connection therewith.

Documents.

Debtor has copies of all documents supporting this Proof of Claim, including without limitation, the Policies, contracts and/or agreements, and any organizational documents, including but not limited to, limited liability company agreements, certificates of formation or incorporation and any by-laws. Additional copies or copies of any other relevant materials may be provided upon request.

Reservation of Rights.

Creditor reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim for additional claims which may be based on the respective rights and obligations arising under the documents described above, the relationship described herein or the same events and circumstances described herein. In addition, Creditor reserves the right to attach or bring forth additional documents supporting its claims and additional documents that may become available after further investigation and discovery. Creditor further reserves the right to file claims or requests for administrative expenses, other claims entitled to priority, proofs of interest and proofs of claim against other parties, including but not limited to affiliated debtors, if any.

Creditor is continuing to investigate the elements of his Claim and the filing of this proof of claim shall not constitute: (a) a waiver or release of the rights of Creditor against Debtor or any other person or property; (b) a waiver of the right of Creditor to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving Creditor; (c) an election of remedies or choice of law; or (d) a waiver of Creditor’s right to a jury trial in connection with the matters raised in his Claim or other matters between the Creditor and the Debtor.

The filing of Creditor's Claim shall not constitute, or be construed as, Creditor's consent to the entry of final orders and judgment by the Bankruptcy Court.

EXHIBIT T-10

[Indemnification Claim of Alexander Korff]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Alexander Korff</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? See summary page	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Contact phone <u>+44 774-712-8702</u> Contact email <u>alex@korff.co.uk</u>	Contact phone _____ Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



11. Is this claim subject to a right of setoff? ☐ No ☒ Yes. Identify the property: See attached addendum

<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Check all that apply:</p> <p><input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____</p> <p><input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____</p> <p><input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____</p> <p><input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____</p> <p><input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____</p> <p><input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____</p>	<p>Amount entitled to priority</p>
<p>* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.</p>		
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.</p> <p>\$ _____</p>	

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/22/2022
MM / DD / YYYY

/s/Alexander Korff
Signature

Print the name of the person who is completing and signing this claim:

Name Alexander Korff
First name Middle name Last name

Title Former General Counsel and Corporate Secretary

Company Pareteum Corporation
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Alexander Korff Merlins Copse, Southampton Road Lymington, South East, SO41 8ND United Kingdom Phone: +44 774-712-8702 Phone 2: Fax: Email: alex@korff.co.uk	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attached addendum	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attached addendum	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: Yes, See attached addendum	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Alexander Korff on 22-Aug-2022 2:26:48 p.m. Eastern Time Title: Former General Counsel and Corporate Secretary Company: Pareteum Corporation		

United States Bankruptcy Court for the Southern District of New York

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Pareteum Corporation (Case No. 22-10615) | <input type="checkbox"/> iPass, Inc. (Case No. 22-10618) | <input type="checkbox"/> Artium Group Ltd. (Case No. 22-10621) |
| <input type="checkbox"/> Pareteum North America Corp. (Case No. 22-10616) | <input type="checkbox"/> iPass IP LLC (Case No. 22-10619) | <input type="checkbox"/> Pareteum Asia Pte. Ltd. (Case No. 22-10622) |
| <input type="checkbox"/> Devicescape Holdings, Inc. (Case No. 22-10617) | <input type="checkbox"/> Pareteum Europe B.V. (Case No. 22-10620) | <input type="checkbox"/> Pareteum N.V. (Case No. 22-10623) |

Official Form 410 Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1 Identify the Claim

1. Who is the current creditor?	<u>Alexander Korff</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Alexander Korff</u> Name <u>Merlins Copse, Southampton Road</u> Number Street <u>Lymington, SO41 8ND</u> City State ZIP Code <u>United Kingdom</u> Country Contact phone <u>+44 774-712-8702</u> Contact email <u>alex@korff.co.uk</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) _____ Name _____ Number Street _____ City State ZIP Code _____ Country Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?



No



Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____

7. How much is the claim?

\$ see attached addendum Does this amount include interest or other charges?



No



Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

see attached addendum

9. Is all or part of the claim secured?



No



Yes. The claim is secured by a lien on property.

Nature of property:



Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.



Motor vehicle



Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property:

\$ _____

Amount of the claim that is secured:

\$ _____

Amount of the claim that is unsecured:

\$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition:

\$ _____

Annual Interest Rate (when case was filed) _____%



Fixed



Variable

10. Is this claim based on a lease?



No



Yes. Amount necessary to cure any default as of the date of the petition.

\$ _____

11. Is this claim subject to a right of setoff?



No



Yes. Identify the property: see attached addendum

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? ☒ No ☐ Yes. Check all that apply:

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____

☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____

☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)? ☒ No ☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08 - 21 - 2022

MM/DD/YYYY
Signature

Print the name of the person who is completing and signing this claim:

Name Alexander Korff
First name Middle name Last name

Title Former General Counsel and Corporate Secretary

Company Pareteum Corporation
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address Merlins Copse, Southampton Road
Number Street

Lymington, SO41 8ND United Kingdom
City State ZIP Code Country

Contact phone +44 774-712-8702 Email alex@korff.co.uk

Official Form 410

Instructions for Proof of Claim

United States Bankruptcy Court

12/15

These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571

How to fill out this form

■ Fill in all of the information about the claim as of the date the case was filed.

■ Fill in the caption at the top of the form

■ If the claim has been acquired from someone else, then state the identity of the last party who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.

■ Attach any supporting documents to this form.
Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *redaction* on the next page.)

Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).

■ Do not attach original documents because attachments may be destroyed after scanning.

■ If the claim is based on delivery health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.

PLEASE SEND COMPLETED PROOF(S) OF CLAIM TO:

Pareteum Claims Processing Center
c/o KCC
222 N. Pacific Coast Hwy., Ste. 300
El Segundo, CA 90245

Alternatively, your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/pareteum>.

■ A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth. See Bankruptcy Rule 9037.

■ For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian. For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, either enclose a stamped self-addressed envelope and a copy of this form or you may view a list of filed claims in this case by visiting the Claims and Noticing and Agent's website at <http://www.kccllc.net/pareteum>.

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing that bankruptcy estate.
11 U.S.C. § 503

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. § 101 (5). A claim may be secured or unsecured.

Claim Pursuant to 11 U.S.C. §503(b)(9): A claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of the Debtor's business. Attach documentation supporting such claim.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity to who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. §101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Do not file these instructions with your form.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Uniform claim identifier: An optional 24-character identifier that some creditors use to facilitate electronic payment.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

ATTACHMENT TO PROOF OF CLAIM OF ALEXANDER KORFF

1. Alexander Korff (the “Claimant”), having an address at Merlins Copse, Southampton Road, Lymington, SO41 8ND United Kingdom, submits this proof of claim (the “Proof of Claim”) against Pareteum Corporation (“Pareteum”) and certain of its affiliates (Pareteum, together with such affiliates, the “Debtors”).

A. Background

2. On May 15, 2022 (the “Petition Date”), the Debtors each commenced a case (collectively, the “Chapter 11 Cases”)¹ by filing a voluntary petition for relief under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”). The Debtors’ Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered as Chapter 11 Case No. 22-10615 (LGB).

3. On July 11, 2022, the Court entered that certain *Order Establishing Deadlines For Filing Proofs of Claims and Approving the Form and Manner of Notice Thereof* [Docket No. 207] (the “Bar Date Order”) which establishes August 22, 2022 (the “Bar Date”) as the deadline for creditors to file proofs of claim against the Debtors.

B. Nature and Bases of Claim

4. Claimant was the General Counsel and Corporate Secretary of Pareteum.

5. The bases for this Proof of Claim, described below, arise out of or in connection with Claimant’s service as General Counsel and Corporate Secretary of Pareteum. Claimant asserts his rights of indemnity and severance pursuant to any and all contractual, statutory and common law rights. In addition, Claimant asserts his rights of indemnity pursuant to the organizational and governing documents of Pareteum (the “Governing Documents”), which, upon information and belief, are in the possession of the Debtors and will be provided by the Debtors or Claimant to any other party in interest upon written request.

C. Indemnification

6. Claimant hereby asserts contingent and unliquidated claims in undetermined amounts against Pareteum for any and all rights and entitlement that Claimant has or may have to indemnification, contribution, reimbursement, payment of expenses or other payments (including damages, costs and expenses related thereto) from the Debtors based upon applicable law, the Governing Documents, any contract or agreement or otherwise, arising in

¹ The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, if applicable, are: Pareteum Corporation (7538); Pareteum North America Corp. (f/k/a Elephant Talk North America Corp.) (9623); Devicescape Holdings, Inc. (2909); iPass, Inc. (4598); iPass IP LLC (2550); Pareteum Europe B.V.; Artidium Group Ltd. (f/k/a Artidium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artidium N.V.). The Debtors’ corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.

respect of or by reason of the fact that Claimant is serving as or has served as an employee, consultant, General Counsel, or Corporate Secretary of Pareteum or any of its affiliates, or is serving or has served at the request of, or for the benefit of, Pareteum or any of its affiliates as an employee, consultant, General Counsel, or Corporate Secretary of one or more other corporations, partnerships, limited liability companies, joint ventures, trusts, or other enterprises or entities. As of the date this Proof of Claim is filed, Claimant is unaware of any proceeding or presently existing judgment that entitles him to indemnification, contribution or reimbursement by the Debtors. Claimant accordingly reserves the right to claim such undetermined amounts, and any other contractual, statutory or common law rights of indemnity, contribution and/or reimbursement, if any, for and against any and all losses, claims, damages or liabilities, joint or several, and legal or other expenses reasonably incurred in connection with the claims set forth herein or otherwise.

D. Severance

7. Prior to the Petition Date, the Claimant on behalf of Karkinos IP Consulting Limited, and Pareteum entered into that certain consulting agreement dated September 25, 2019, as amended May 11, 2022 (the “Consulting Agreement”).² Pursuant to the Consulting Agreement, the Claimant was retained to provide various consulting services to Pareteum and was paid an annual retainer in monthly installments of GBP 21,000.00. The Consulting Agreement states that the Claimant will receive 50% of the annual retainer in severance if the Consulting Agreement is terminated for any reason, thereby entitling Claimant to GBP 126,000.00 in severance.

E. Setoff; Defenses; Counterclaims

8. By the filing of this Proof of Claim, Claimant hereby asserts the right to set off, offset or recoup any claims (including without limitation any indemnity and contribution claims) Claimant may have under Bankruptcy Code section 553 and any applicable law against any claims, defenses, or offsets that the Debtors or any of their affiliates, any trustee, representative of, or successor to any of the Debtors or the Debtors’ estates, or any other person may assert against Claimant. Claimant reserves all of Claimant’s procedural and substantive defenses and counterclaims (legal, equitable, and other) to any claim or liability that has been or may be asserted against Claimant or otherwise involving Claimant by any or all of the Debtors or any of their affiliates, any trustee, representative of, or successor to any of the Debtors or the Debtors’ estates, or any other person, and Claimant further reserves the right to assert any counterclaims and defenses that Claimant may have against any or all such entities, including but not limited to counterclaims for indemnity, contribution and/or reimbursement.

9. This Proof of Claim is filed solely for the purpose of preserving any and all rights and entitlements that Claimant may have, and nothing set forth herein should be construed as an admission that any valid third-party claims or causes of action exist against the Debtors or Claimant or any other person.

² A copy of the Consulting Agreement is attached as Exhibit A. The amendment to the Consulting Agreement is attached as Exhibit A-1.

F. No Waiver; Amendments; Reservation of Rights

10. Claimant has filed this Proof of Claim under compulsion of the Bar Date Order and to protect Claimant from forfeiture of his claims against the Debtors by reason of the Bar Date. Claimant is investigating whether Claimant has claims against the Debtors on other bases not identified herein.

11. Claimant hereby reserves the right to file proofs of such other claims or to amend, clarify and/or supplement this Proof of Claim, including any schedules or exhibits thereto, at any time, including after the Bar Date, in any manner, including, but not limited to: (a) assert in a liquidated or greater amount any and all sums due and owing under applicable law, the Governing Documents referenced herein, or any contract or agreement or otherwise; (b) supplement or amend this Proof of Claim or any related documents and other information, and to describe further the claims asserted herein; (c) assert a priority, security interest or similar right with respect to the claims asserted herein; (d) file additional proofs of claim for any additional claim, including on account of indemnification, contribution, reimbursement or other arrangements, which may be based on the same or additional documents or grounds of liability, or file a request for payment of administrative expenses in accordance with sections 503 and 507 of the Bankruptcy Code; (e) seek the reconsideration under section 502(j) of the Bankruptcy Code of any disallowance of any amount claimed under this Proof of Claim, including, without limitation, any amount claimed as an administrative expense, whether liquidated, contingent or unliquidated; and (f) seek relief from the Bankruptcy Court with respect to the allowance, priority, estimation or other treatment of Claimant's claims under the Bankruptcy Code.

12. Claimant does not waive and specifically preserves all rights, causes of action, remedies, defenses (whether procedural or substantive) and interests that Claimant has or may have against any or all of the Debtors or any of their affiliates, any trustee, representative of, or successor to any of the Debtors or the Debtors' estates, or any other person, and expressly reserves all such rights. Nothing contained in the Proof of Claim shall be construed as limiting or waiving Claimant's rights, causes of action, remedies, defenses and interests, whether arising from or related to the statutory rights or agreements set forth herein or otherwise.

13. Claimant does not waive or release Claimant's right to trial by jury in this Court or any other court in any proceeding as to any and all matters so triable herein, whether or not the same be designated legal or private rights or in any case, controversy, or proceeding related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution. The filing of this Proof of Claim is not and shall not be deemed or construed as a consent by Claimant to a jury trial in this Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy, or proceeding related hereto, pursuant to 28 U.S.C. § 157(e) or otherwise.

14. The filing of this Proof of Claim is specifically made without any election of rights and remedies and all rights and remedies (including, without limitation, set-off and recoupment) in addition to the filing of and pursuit of this Proof of Claim, against the Debtors and against any other person or entity, including without limitation, a right to a jury trial on any issue, are hereby reserved.

15. The full amount of all Claimant's claims, if any, cannot be reasonably calculated at this time. Accordingly, Claimant does not waive its right to seek payment from the Debtors by not currently stating a specific amount.

16. This Proof of Claim is without prejudice to any and all of Claimant's rights, claims and defenses under the Bankruptcy Code or otherwise.

G. No Consent to Jurisdiction or Venue

17. By the filing of this Proof of Claim, Claimant does not submit to the jurisdiction or venue of this Court for any purpose, and Claimant does not waive, and specifically reserves, all of its procedural and substantive defenses to any claim that has been or may be asserted against Claimant by any or all of the Debtors or any of their affiliates, any trustee, representative of, or successor to any of the Debtors or the Debtors' estates, or any other person, including without limitation any defense based upon the lack of jurisdiction or improper venue of this Court to entertain any such claim.

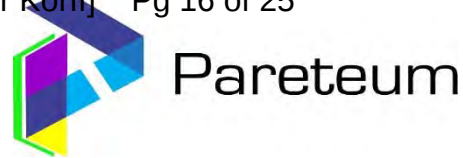
18. This Proof of Claim shall not be deemed a consent by Claimant to have any matter relating to any disputed claims or issues heard by the Bankruptcy Court, and the submission of this Proof of Claim does not waive any of Claimant's rights to have final orders in non-core matters entered only after *de novo* review by a United States District Court judge or to petition the United States District Court to withdraw any reference in any matter subject to mandatory or discretionary withdrawal. The assertion of claims by Claimant is not a concession or admission as to the correct characterization or treatment of any such claim, nor a waiver of any of his rights, including, but not limited to, rights against any other entity or person liable for all or part of the claims.

H. Notices

19. All notices regarding this Proof of Claim should be sent to: Alexander Korff at Merlins Copse, Southampton Road, Lymington, SO41 8ND United Kingdom, with a copy to Skadden, Arps, Slate, Meagher & Flom LLP, One Manhattan West, New York, New York 10001, Attention: Steven Glaser.

Exhibit A

Consulting Agreement



CONSULTING AGREEMENT

BETWEEN:

(1) **Pareteum Corporation** of 1185 Avenue of the Americas, 37th Floor, New York, New York 10036 USA ("**Pareteum**");

AND:

(2) **Karkinos IP Consulting Limited**, having an address for notice of Merlins Copse, Southampton Road, Boldre, Lymington, UK ("**Consultant**") and represented by **Alexander Korff**.

Individually referred to as a "**Party**" or jointly referred to as the "**Parties**"

WHEREAS:

- (A) Pareteum is a provider of mobile network and telecommunications technology solutions;
- (B) The Consultant is an experienced general counsel and corporate secretary most recently served Pareteum as its corporate secretary, and following the Consultant's transition from Pareteum, desires to provide certain consulting services to Pareteum as more particularly set forth herein;
- (C) The Parties wish to enter into this consulting agreement ("**Agreement**"), on the terms and conditions contained herein, by which Pareteum engages the Consultant to provide those services as more particularly set forth herein.

1. COMMENCEMENT, DURATION AND EXTENSION

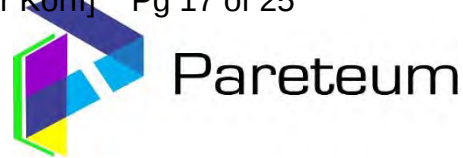
1.1 This Agreement replaces and supersedes the consulting agreement dated November 2017, and is deemed effective from January 1, 2019 and shall continue until December 31, 2020 (the "**Term**"), unless extended as set forth below.

1.2 This Agreement may be amended, as set forth in Section 16.1, to extend the Agreement for such term and consideration as negotiated and determined by the Parties in advance of the expiration of this Agreement.

1.3 Expiration of this Agreement shall not relieve the Consultant of its obligations to conclude any outstanding work which has been agreed will be performed by December 31, 2020, nor of its obligations in respect of confidential information and intellectual property rights together with any other continuing rights and obligations set forth in that certain Separation Agreement and General Release of even date herewith between the Parties.

1.4 During the Term, Consultant understands, acknowledges and agrees that he shall devote no less than half his time working for Pareteum and its affiliates.

2. FCPA



2.1 FCPA: Consultant is familiar with and agrees to all terms of the Foreign Corrupt Practices Act (“FCPA”) and attests that it has no direct or indirect affiliation with government officials in conjunction with the sale of Pareteum’s services and shall not engage and has not been enticed in any way to engage in any violation. Consultant, in addition to the statements above, by signing this Agreement agrees to abide by all the provisions of the FCPA regardless whether they are stated in this paragraph and shall at its sole cost and expense save, defend, indemnify and hold Pareteum, its officers and directors, harmless from and against any and all liability arising from a breach of this provision.

3. SERVICES

3.1 Parties agree that Consultant will perform and render the services, which will include, without limitation, the following:

- Maintaining the Pareteum UK Limited company directorship for the duration of this Agreement or for a shorter period if desired by Pareteum.
- Using all reasonable efforts to effect the entity shutdown plans, as amended taking into account recent acquisitions and mergers.
- Completion of Project Zenith, which activities shall include, without limitation, negotiation and documentation of all definitive deal documentation, coordinating and obtaining all approvals, organizing and recording minutes and for all shareholder meetings and interaction with targets, bankers, advisors and respective counsel
- Availability for legacy issues that may arise over the course of the year, including, without limitation, assignments that will arise and be given to Consultant (which may be on an ad hoc basis)
- Management of any open regulatory matters.
- Other things that we agree require your expertise, which is expected to include, without limitation, coordinating any ongoing and day-to-day maintenance of shareholder and capitalization table information as same may be transitioned to Finance and/or a third-party records manager for Pareteum.

Together with participating in meetings (which may include some travel), telephone conference calls together with providing any other services the Parties may agree to from time to time (all of the foregoing being collectively, the “**Services**”).

3.2 The Consultant (or its representative) shall at all times abide by all laws, rules and regulations, including without limitation the FCPA (as defined herein), while performing the Services for Pareteum.

3.3 Pareteum engages the Consultant to provide the Services on a non-exclusive basis, and Consultant agrees to report to the Executive Chairman (Hal Turner), the CEO, Chief Financial Officer (Ted O’Donnell) or such other person (or persons as directed by Pareteum from time to time) and to cooperate with such other management as may reasonably be required.

3.4 The Consultant represents and warrants that it is adequately trained and qualified and permitted (if necessary) to provide the Services to Pareteum and that it will perform such Services with all due care and skill. Failure to comply with this clause represents a material breach of this Agreement.

3.5 The Consultant agrees to exercise its responsibilities so as to advance the best interests of Pareteum in good faith at all times.



4. METHOD AND LOCATION OF PERFORMING SERVICES

4.1 The Consultant may use its initiative as to the manner in which the Services are delivered, provided that in doing so the Consultant shall co-operate with Pareteum and comply with all reasonable and lawful instructions of Pareteum. The Consultant warrants that the Services will be performed in a professional and workmanlike manner in accordance with accepted industry standards (if any) applicable to the Services. The Consultant agrees that it may be required to work outside normal office hours as reasonably requested by Pareteum.

4.2 The Consultant will provide the Services from such locations as are appropriate in the Consultant's commercially reasonable judgment (which may include Consultant's office, Pareteum's office and some business-related travel that will be international). Pareteum will provide the Consultant with appropriate access to Pareteum's facilities or equipment as may be necessary for the effective conduct of the Services

5. EQUIPMENT AND DATA

5.1 The Consultant shall use all such necessary software, hardware or other equipment as is reasonable for the satisfactory performance of the Services. The Consultant warrants that it shall only use properly licensed software and hardware in performing the Services.

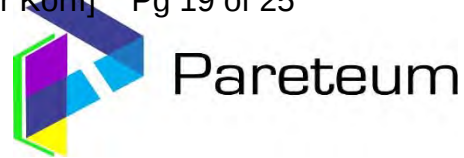
5.2 Pareteum will provide the Consultant with such equipment as may reasonably be required by Consultant to perform the Services including, for example, a computer, appropriate software and a mobile telephone.

5.3 If the Consultant is provided with equipment or data by Pareteum for the purposes of the Services, the Consultant shall be responsible for ensuring that he preserve the security and condition of such equipment and data, and Consultant agrees to comply with Pareteum's data protection and information security policies.

6. PAYMENT AND INVOICING

6.1 Consultant will be compensated for the Services as follows:

- i) Consultant shall receive a monthly retainer of GBP £10,500 per month (to replace the GBP £7,000 per month retainer which is currently in place).
- ii) Consultant (or Mr. Korff) shall receive a conditional grant of 175,000 registered (S-8) shares of Pareteum's common stock (the "Shares") which Shares shall be valued at a per share price on the last day of trading prior to the effective date of this Agreement. The Shares will vest (i) 75,000 immediately; and (ii) the remaining 100,000 shares at the rate of 8,333 shares per month during each of the first eleven calendar months of this Agreement, with the remaining 8,337 shares vesting following the expiration of the twelfth calendar month of this Agreement. Thereafter, the parties will negotiate and agree a new and equivalent award in good faith. Acceleration of the vesting of the Shares will take place upon a change of control of Pareteum Corporation, which means a change of control as defined in the Company's Employee Share option Plan. In that event, the monthly retainer will revert to a cash retainer of equivalent value or the hourly rate prescribed below. Consultant acknowledges and agrees that the foregoing conditional grant of Shares is as consideration for Consultant performing Services during each calendar



month of the term that is the equivalent to 'up to half' of Consultant's working availability. For the avoidance of doubt, Consultant covenants and agrees with Pareteum that he shall maintain accurate monthly records reflecting the Services performed and the hours associated with those Services. If Consultant exceeds 'up to half' of his monthly working hours during any given month, Consultant shall obtain the prior approval from Hal Turner.

iii) In the event Consultant's monthly hours performing the Services has exceed 'up to half' his monthly working hours, and following approval by Hal Turner, Consultant will be paid at the rate of 160 GBP per hour for any Services performed that exceed the 'up to half' monthly working hours (which, for the purposes of this Section 6.1(ii) shall be deemed to be any time in excess of 20 hours weekly / 80 hours monthly).

iv) Consultant shall also be eligible (for full year 2019 and beyond) for an annual performance award, in the discretion of the Chairman and CEO, or the Board.

6.2 The fees exclude income or similar taxes (if payable) and Consultant understands and agrees that it shall be solely responsible for payment of same.

7. HR AND POLICY COMPLIANCE

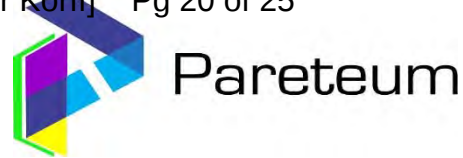
7.1 To the extent applicable to the Services, the Consultant agrees to reasonably comply with Pareteum's company policies, human resource policies and systems including the Staff Handbook, Insider Trading Policy, Whistleblower Policy and others, any of which may be updated from time to time in Pareteum's discretion.

8. INDEMNIFICATION

8.1 The Parties indemnify each other against all tax liabilities that arise out of this Agreement such as income taxes and social premiums and national insurance contributions (if any) which may be payable by the Consultant or Pareteum, as the case may be.

8.2 Consultant shall indemnify, defend and hold harmless, Pareteum and its owners, subsidiaries and other affiliates, and the officers, directors, and employees of each of them, from any damages, loss, injury, death, costs, fees or expenses which arise from, or are alleged to have arisen from any claim, lawsuit or other action by a third party, resulting from violation or breach by Consultant of any term of this Agreement or of any statute, law or regulation governing the Services provided by Consultant pursuant to this Agreement.

8.3 Indemnification hereunder shall not apply to the extent any liability, damage, loss or expense is attributable to any negligent or wrongful act or omission, or willful malfeasance, by the party claiming indemnification. Under no circumstances will a party be liable for consequential, special or indirect damages of the other party. It shall be a condition precedent to the indemnifying party's obligations hereunder that (a) the party claiming indemnification immediately notifies the other party of any risk or possible damage once the party claiming indemnification is aware of the same, (b) that the party claiming indemnification permits the indemnifying party to exercise control over the defense thereof, and (c) that the party claiming indemnification cooperates fully in connection with such defense.



9. EXPENSES

9.1 Consultant will be entitled to claim reimbursement for reasonable telephone, IT and basic administration/office related charges that are less than £250.00 in the aggregate per month, provided supporting receipts are provided. All other documented expenses shall be approved by Pareteum in writing in advance, or Consultant understands and agrees that any such expenses shall not be reimbursed.

10. INTELLECTUAL PROPERTY RIGHTS

10.1 The Consultant hereby expressly covenants that all intellectual property rights, discoveries, inventions, improvements and developments relating in any way to the business activities of Pareteum ("IPRs") which may be discovered, invented, improved or developed by the Consultant during the term of this Agreement, in the course of providing any Services hereunder, where so ever discovered, invented, improved or developed, will be the exclusive and sole property of Pareteum.

10.2 The Consultant must disclose promptly to Pareteum and hereby assigns to Pareteum without further compensation, all IPRs (including but not limited to any existing and future copyrights, trademarks and patents, as well as knowhow and trade secrets contained in or relating software, documentation or other works or materials) whether conceived or developed by it solely or jointly with others and will on the request of Pareteum execute all documents and do all such things as may be requested by Pareteum to confirm or perfect the rights, title and interest in such IPRs, provided that Pareteum will bear the costs and expenses associated therewith.

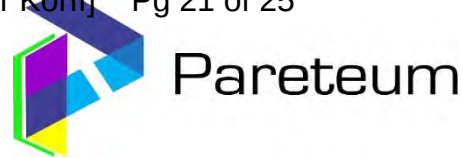
10.3 The Consultant agrees unconditionally to disclose all software and source codes to Pareteum immediately upon request.

11. CONFIDENTIALITY

11.1 The Consultant shall not, during the term of this Agreement and for two (2) years after termination (for whatever reason), disclose to any third party or use for his/her own benefit any confidential information of Pareteum or any of its subsidiaries or affiliated companies or its parent companies, shareholders, employees, customers or suppliers which has become known to the Consultant during the course of this Agreement. The term "confidential information" includes, without limitation, all business, organizational and technical knowledge, software, source codes, know-how, proprietary or confidential information, non-public IPRs, names or addresses or details of Pareteum's customers (or the customers of any of its subsidiaries or affiliated or parent companies) and any other information which by its nature ought reasonably to be treated as confidential to Pareteum.

11.2 All written and other records and all tangibles concerning Pareteum or any of its subsidiaries or affiliated or parent companies which are in the possession of the Consultant shall be carefully kept and shall be immediately returned to Pareteum upon its request, and in any case upon the termination of this Agreement.

11.3 Consultant (and its officers, employees and other agents/representatives if any) agree that its obligations hereunder are necessary and reasonable in order to protect Pareteum's business, and expressly agree that monetary damages may be inadequate to compensate Pareteum for any breach of the obligations set forth in this clause. Consultant acknowledges that any violation or threatened violation of this clause may cause irreparable injury to Pareteum and that, in addition to any other remedies that may be available, in law, in



equity or otherwise, Pareteum shall be entitled to obtain injunctive relief against a (threatened) breach of this clause or the continuation of any such breach, without the necessity of proving actual damages.

11.4 Notwithstanding the foregoing, Consultant understands, acknowledges and agrees that Pareteum may make one or more public announcement that it has engaged Consultant, as a strategic advisor to Pareteum.

12. PRIVATE GAIN

12.1 The Consultant shall not be permitted to accept or negotiate, whether directly or indirectly, for its benefit any commission, advantage or gain, in any form whatsoever, from customers or suppliers of - or other commercial partners dealing with - Pareteum or any of its subsidiaries or affiliated or parent companies, with the exception of ValidSoft. Similarly, the Consultant shall not do anything to prejudice or harm the interests or reputation of Pareteum or its affiliated or subsidiary companies, management, employees or shareholder(s).

13. NON-COMPETITION AND NON-SOLICITATION

13.1 The Consultant shall further not solicit or endeavor to entice away from Pareteum or any of its subsidiaries or affiliated or parent companies any employee, customer, supplier or commercial partner of Pareteum during, or for a period of twelve months (12) after termination of, this Agreement.

14. RELATIONSHIP BETWEEN PARETEUM AND CONSULTANT

14.1 The relationship between Consultant and Pareteum is of two arm's length commercial parties. No joint venture or partnership is created, or shall be deemed to be created hereby and no relationship of employer and employee is established or should be inferred. In particular, neither party wishes to create or imply any mutuality of obligation between themselves in the performance of Services under the Agreement.

15. FORCE MAJEURE

15.1 The Parties shall not be liable for any breaches of their obligations under this Agreement resulting from Acts of God, war, major fire, major flood, explosion or other similar catastrophe.

16. GENERAL

16.1 Any amendments or additions to this Agreement must be in writing and be signed by the Parties.

16.2 Should any provision of this Consultant agreement be or become invalid, the validity of the other provision(s) shall not be affected thereby.

16.3 The Consultant shall inform Pareteum immediately of any change of address or of any other change in circumstances which may affect the Services to be provided to Pareteum.

16.4 This Agreement is subject to the laws of the State of New York and the Courts in New York shall have exclusive jurisdiction to settle any dispute arising hereunder without regard to any principles of conflicts of laws. Consultant hereby submits to the exclusive personal and subject matter jurisdiction of the State and



Federal Courts situated in New York, New York, United States of America, and hereby waives any defense of inconvenient forum.

This Agreement may be executed in counterparts by Parties signatures transmitted by facsimile or electronic format (including via PDF), and copies of this Agreement so executed and delivered shall have the same force and effect as originals.

EXECUTED this September 25, 2019:

Pareteum Corporation

By: _____

Name/Title Robert H. Turner, CEO

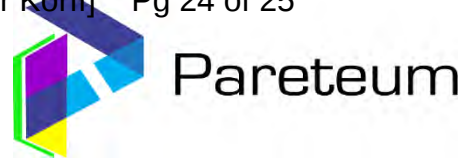
Karkinos IP Consulting Limited

By: _____

Alexander Korff, Director

Exhibit A-1

Consulting Agreement Amendment



CONSULTING AGREEMENT

BETWEEN:

(1) **Pareteum Corporation** of 1185 Avenue of the Americas, 37th Floor, New York, New York 10036 USA ("**Pareteum**");

AND:

(2) **Karkinos IP Consulting Limited**, having an address for notice of Merlins Copse, Southampton Road, Boldre, Lymington, UK ("**Consultant**") and represented by **Alexander Korff**.

Individually referred to as a "**Party**" or jointly referred to as the "**Parties**"

WHEREAS:

(A) The Parties entered into consulting agreement dated September 25, 2019 ("**Consulting Agreement**");

(B) The Parties wish to amend the Consulting Agreement on terms described in this amendment ("**Amendment**");

1. AMENDMENT

1.1 This Amendment is deemed effective from April 1, 2022, and supplements the Consulting Agreement.

1.2 The monthly retainer is increased to £21,000 ("**New Rate**"), to reflect a 40-hour per week basis (instead of the existing 20-hour per week basis). The Consultant waives his rights to claim £160/hour for all overtime worked during the term of the Consulting agreement, pursuant to section 6.1.(iii) thereof.

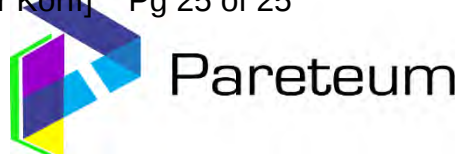
1.3 Consultant acknowledges and agrees that it may need to work more than 40 hours per week, and will not charge additional fees for the same.

1.4 The balance of the New Rate for April 2022 will be paid within 2 days of signing this Agreement. The New Rate will continue to be paid monthly in arrears from May 2022 onwards (unless or to the extent payments may be prepaid in the context of the Company's bankruptcy preparations).

1.5 In the event the Consulting Agreement is terminated for any reason, the Consultant will receive a severance payment in an amount equal to 50% of his annual retainer.

1.6 The Company will take any and all steps required to give effect to the terms of this Amendment, to the extent possible under applicable law, including the Bankruptcy Code.

1.7 The remaining terms of the Consulting Agreement remain in force except to the extent amended hereby.



EXECUTED this May 11, 2022:

Pareteum Corporation

Karkinos IP Consulting Limited

DocuSigned by:
By: Bart Weijermars CEO
39D1720A31F0424...

By: 

Name/Title

Alexander Korff, Director

EXHIBIT T-11

[Proof of Claim filed by Dawson James Securities, Inc.]

Fill in this information to identify the case:

Debtor Pareteum Corporation

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number 22-10615

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Dawson James Securities, Inc.</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Dawson James Securities, Inc. Attn: Steven Wilamowsky, Esq. ArentFox Schiff LLP 1185 Avenue of the Americas, Suite 3000 New York, NY 10036 Contact phone <u>212-753-5000</u> Contact email <u>steven.wilamowsky@afslaw.com</u>	Where should payments to the creditor be sent? (if different) Dawson James Securities, Inc. Attn: Richard Aulicino 101 N. Federal Highway Suite 600 Boca Raton, FL 33432 Contact phone <u>561-391-5555</u> Contact email <u>raulicino@dawsonjames.com</u>
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7. How much is the claim?	\$ <u>See Addendum</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See Addendum</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Identify the property: <u>See Addendum</u>



<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply: </div> <div style="text-align: right; background-color: #f2f2f2; padding: 5px;"> Amount entitled to priority </div> </div> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <div style="text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). <div style="text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). <div style="text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). <div style="text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). <div style="text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies. <div style="text-align: right;">\$ _____</div> </div> </div>
* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.	
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<div> <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. </div> <div style="margin-top: 10px;"> \$ <u>See Addendum</u> </div>

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/12/2022
MM / DD / YYYY

/s/Richard Aulicino
Signature

Print the name of the person who is completing and signing this claim:

Name Richard Aulicino
First name Middle name Last name

Title President

Company Dawson James Securities, Inc.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 101 N. Federal Highway, Suite 600, Boca Raton, FL, 33432

Contact phone 561-391-5555 Email raulicino@dawsonjames.com



For phone assistance: Domestic (888) 201-2205 | International (310) 751-1839

Debtor: 22-10615 - Pareteum Corporation District: Southern District of New York, New York Division		
Creditor: Dawson James Securities, Inc. Attn: Steven Wilamowsky, Esq. ArentFox Schiff LLP 1185 Avenue of the Americas Suite 3000 New York, NY, 10036 Phone: 212-753-5000 Phone 2: Fax: Email: steven.wilamowsky@afslaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Disbursement/Notice Parties: Dawson James Securities, Inc. Attn: Richard Aulicino 101 N. Federal Highway Suite 600 Boca Raton, FL, 33432 Phone: 561-391-5555 Phone 2: Fax: E-mail: raulicino@dawsonjames.com DISBURSEMENT ADDRESS		
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See Addendum	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See Addendum	Includes Interest or Charges: None	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): Yes: See Addendum Based on Lease: No Subject to Right of Setoff: Yes, See Addendum	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Richard Aulicino on 12-Aug-2022 10:36:48 a.m. Eastern Time Title: President Company: Dawson James Securities, Inc.		

Optional Signature Address:

Richard Aulicino
101 N. Federal Highway
Suite 600
Boca Raton, FL, 33432

Telephone Number:

561-391-5555

Email:

raulicino@dawsonjames.com

**ADDENDUM TO PROOF OF CLAIM OF DAWSON JAMES
SECURITIES, INC., AGAINST PARETEUM CORPORATION**

1. This proof of claim (the “Proof of Claim”) is filed by Dawson James Securities, Inc. (the “Claimant”).
2. On May 15, 2022, Pareteum Corporation (“Pareteum”) and eight affiliated debtors (the “Debtors”) filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The cases are jointly administered under Case No. 22-10615 before the Honorable Lisa G. Beckerman, in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).
3. The Claimant has claims against Pareteum for contractual indemnity, contribution, indemnification, breach of contract, and negligent misrepresentation (collectively, the “Claims”).
4. The events that give rise to the Claims can be summarized as follows:
 - a. The Claimant served as placement agent for Pareteum’s September, 2019, \$40 million direct public offering of certain common stock and warrants. The terms of the Claimant’s engagement are set forth in that certain Placement Agency Agreement, dated September 20, 2019 (the “Agreement”).
 - b. Pursuant to the Agreement, Pareteum represented and warranted that the offering materials for the September 2019 offering were in compliance with applicable law and did not including any material misstatements or omissions. The Agreement, by its express terms, also provided that Pareteum would indemnify the Claimant and would owe Claimant for contribution for any liabilities associated with Pareteum’s breach of its representations and warranties, and would reimburse Pareteum for its legal fees and expenses as and when incurred in connection with Pareteum’s indemnification and contribution obligations.
 - c. On or around October 22, 2019, certain individuals calling themselves the “Pareteum Shareholder Investor Group” commenced a purported class action in the United States District Court for the Southern District of New York, under the caption *In re Pareteum Securities Litigation*, Case No. 19-CV-9767 (the “Securities Litigation”).

- d. Pursuant to an amended complaint filed in the Securities Litigation, the purported class members alleged violations of various federal securities law. Certain violations, in addition to being alleged against the Debtors and/or various third parties, were asserted as well against the Claimant. In particular, it was alleged that the offering materials in connection with the September 2019 offering were false and misleading, and that the Claimant somehow bore responsibility.
- e. On September 10, 2021, the Claimant filed its answer in the Securities Litigation with accompanying cross-claims against Pareteum, Pareteum's accounting firm, and various individual defendants. The cross-claims against Pareteum included claims for breach of contract, contractual indemnification and contribution, statutory contribution, and equitable indemnification and contribution.
- f. On July 21, 2022, the court in the Securities Litigation entered a Stipulation dismissing the Claimant from the case, without prejudice.

5. The Claims consist of: (a) a fully matured, liquidated claim in the amount of not less than **\$139,000** for legal fees already incurred by Claimant in connection with the Securities Litigation; and (b) contingent claims for indemnification, contribution, and reimbursement, particularly (but not exclusively) in the event that Claimant were to be re-joined to the Securities Litigation. The Claims arise both pursuant to the express terms of the Agreement, as well as other provisions of applicable law.

General Provisions

6. The Claimant does not attach copies of the documents supporting the Claims, because the Debtors already have copies of the relevant documents, including, but not limited to, the Agreement and the pleadings filed in the Securities Litigation.¹ The Claimant will, however, deliver copies of the documentation upon request and reserves the right to supplement this Proof of Claim with documentation at any time.

¹ Upon reasonable request, the Claimant also will provide appropriately redacted copies of its invoices on account of fees and expenses of counsel in connection with the Securities Litigation.

7. Certain of the Claimant's claims may be an administrative expense of one or more of the Debtors under sections 503 and 507 of the Bankruptcy Code. Subject to the foregoing, the claims are unsecured, except to the extent subject to any right of setoff and/or recoupment, which right is fully preserved by Claimant and not waived.

8. The Proof of Claim is filed to preserve any and all claims, rights, and entitlements, including those that are contingent, that the Claimant may have against any of the Debtors, and nothing set forth herein should be construed as an admission in any future litigation.

9. The Claimant reserves the right to amend and/or supplement further this Proof of Claim at any time and in any manner, and to file additional proofs of claim for additional claims that may be based on the respective rights and obligations arising under the documents described above, the relationship described therein or the same events and circumstances described herein. In addition, the Claimant reserves the right to attach or bring forth additional documents supporting the Claims, including additional documents that may become available after further investigation and discovery.

10. The filing of this Proof of Claim shall not constitute: (a) a waiver or release of the rights of the Claimant against any of the Debtors, or any other person or property; (b) a waiver of the right of Claimant to contest the jurisdiction of this Court with respect to the subject matter of the Claims set forth herein, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in this case against or otherwise involving the Claimant; (c) a waiver of the right of Claimant to trial by jury in any proceedings so triable in these cases or any controversy or proceedings related to these cases; or (d) an election of remedies or choice of law.

11. All notices concerning this Proof of Claim shall be sent to:

Dawson James Securities, Inc.
101 N. Federal Highway, Suite 600
Boca Raton, FL 33432
Attention: Mr. Richard Aulicino
Email: raulicino@dawsonjames.com

with a copy to:

ArentFox Schiff LLP
1185 Avenue of the Americas
New York, NY 10036
Attn: Steven Wilamowsky, Esq.
Email: steven.wilamowsky@afslaw.com

and

ArentFox Schiff LLP
1717 K Street, NW
Washington, DC 20006
Attn: Ralph De Martino, Esq.
Email: ralph.demartino@afslaw.com

EXHIBIT T-12

[Amended Stipulation, Dkt. No. 377]

referred to as the “Parties”. This Stipulation and Order is based on the following facts and circumstances:

WHEREAS, on May 15, 2022 (the “Petition Date”), each Debtor commenced a voluntary Chapter 11 case by filing a petition for relief under chapter 11 of the Bankruptcy Code. On May 18, 2022, the Court entered an order authorizing the joint administration and procedural consolidation of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) [Docket No. 37], and the Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108; and

WHEREAS, on May 24, 2022, the United States Trustee for the Southern District of New York appointed the Creditors Committee pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 52]. No trustee or examiner has been appointed in these Chapter 11 Cases; and

WHEREAS, there is an ongoing investigation by the United States Department of Justice (the “DOJ Investigation”), in which certain of the Stipulating Insureds and certain other individuals (together, the “Individual Insureds”) have incurred and will incur defense costs;² and

WHEREAS, certain of the Individual Insureds, as well as Pareteum itself, have been named as defendants in various lawsuits (the “Litigations”): (i) *In re Pareteum Securities Litigation*, No. 1:19-cv-09767-AKH-GWG (S.D.N.Y.); (ii) *Douglas Loskot v. Pareteum Corp. et al.*, 20-CIV-02279 (Cal. Super. Ct., San Mateo Cnty.); (iii) *Sabby Volatility Warrant Master Fund, Ltd. v. Pareteum Corp., et al.*, No. 19-cv-10460-AKH (S.D.N.Y.); (iv) *In re Pareteum Corporation Stockholder Derivative Litigation*, No. 1:20-cv-06264 (S.D.N.Y.); (v) *William Miller, derivatively on behalf of Pareteum Corp. v. Victor Bozzo, et al.*, No. 651381/2020 (N.Y. Sup. Ct, NY Cty.) (as consolidated); (vi) *Reuben Harmon, derivatively on behalf of Pareteum*

² Such defense costs also include expenses incurred in connection with cooperation with the DOJ Investigation.

Corp. v. Robert H. Turner, et al. 650633/2021 (N.Y. Sup. Ct., NY Cty.); and (vii) *In re Pareteum Shareholder Derivative Litigation* 651381/2020 (N.Y. Sup. Ct., NY Cty.); and

WHEREAS, on September 2, 2021, the U.S. Securities and Exchange Commission (the “SEC”) also issued an Order Instituting Cease and Desist Proceedings against Pareteum, *In the Matter of Pareteum Corporation*, SEC Administrative Proceeding No. 3-20522 (Sep. 2, 2021) in connection with an ongoing investigation (the “SEC Investigation”) into Pareteum and certain of the Individual Insureds; and

WHEREAS, after the Petition Date, Notices of Commencement of Bankruptcy were filed in the Litigations and the Litigations are stayed as to the Debtors; however, the Litigations have not been stayed as to the Individual Insureds; and

WHEREAS, the Individual Insureds, have and continue to incur legal defense costs in connection with the investigation and defense of the DOJ Investigation, the Litigations and/or the SEC Investigation (“Defense Costs”) absent the imposition of the automatic stay; and

WHEREAS, the applicable limit of liability of the primary directors and officers liability insurance policy having been exhausted, Pareteum Corporation maintains: (i) three excess directors’ and officers’ liability insurance policies (the “D&O Policies”); and (ii) a Side A Policy each with the initial policy period July 12, 2019 to July 12, 2020. The D&O Policies and the Side A Policy (defined herein) are as follows:

Insurer and Policy No.	Policy Limit
XL Specialty Insurance Company Policy No. ELU162673-19 (the “XL Specialty Policy”)	\$5 million excess of \$5 million
Wesco Insurance Company Policy No. EUW1522653 01 (the “Wesco Policy”)	\$5 million excess of \$10 million
North River Insurance Company Policy No. 577-100419-2	\$5 million excess of \$15 million

(the “Crum & Forster Policy”)	
XL Insurance Company Policy No. ELU162674-19 (the “Side A Policy”)	\$5 million

WHEREAS, Defense Costs have been advanced under certain of the D&O Policies concerning the DOJ Investigation, the Litigations and the SEC Investigation, subject to a reservation of rights by the applicable insurer under the applicable D&O Policies (each an “Insurer” and together the “Insurers”) and a reservation of rights by the Individual Insureds; and

WHEREAS, on June 14, 2022 a motion (the “Motion”) [Docket No. 117] was filed by certain of the Individual Insureds (Robert H. Turner, Edward O’Donnell, Denis McCarthy, Victor Bozzo, Rob Mumby, and Yves Van Sante) (collectively, the “Movants”), seeking to modify the automatic stay under Bankruptcy Code section 362, to the extent applicable, to allow the Insurers under the applicable D&O Policies to continue to advance Defense Costs for the Individual Insureds that are covered under the applicable D&O Policies, subject to the Insurers’ reservation of rights coverage positions and the Individual Insureds’ corresponding reservation of rights; and

WHEREAS, to resolve the issues raised in the Motion, to avoid unnecessary expense and delay, and to otherwise preserve the applicable D&O Policies for all parties in interest, the Parties agreed, pursuant to the *Stipulation and Order to Modify the Automatic Stay on a Limited Basis to Permit Payments of Defense Costs under Certain Insurance Policies* [Dkt. 217] (the “Stipulation and Order”) subject to the reservation of rights contained therein, to consent to relief from the automatic stay, to the extent applicable, for the limited purpose of authorizing the Insurers under the D&O Policies to advance Defense Costs subject to a Cap and a Budget, each as defined therein, incurred by the Individual Insureds, including but not limited to the Movants,

under the D&O Policies in connection with the DOJ Investigation, the Litigations and/or SEC Investigation through September 30, 2022; and

WHEREAS, on August 22, 2022, the Debtors filed the Plan, with an objection deadline of September 29, 2022, and a confirmation hearing scheduled for October 6, 2022; and

WHEREAS, the Parties now wish to amend the Stipulation and Order to extend it through the earlier of the of the Effective Date of the Plan or October 31, 2022, subject to the terms and conditions set forth herein.

NOW, THEREFORE, subject to Bankruptcy Court approval, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties to the Amended Stipulation agree as follows:

1. To the extent applicable, the automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified to the extent necessary to allow the Insurers under the D&O Policies to pay, reimburse, and/or advance insurance proceeds, and/or make payments from the applicable D&O Policies for amounts provided by the Movant's, Individual Insured's or Debtors' counsel in their respective Budget, as defined below, and not objected to during the Notice Period, as defined below, (the "Cap") relating to the Movants', the other Individual Insureds' or Debtors' counsel in connection with the DOJ Investigation, the Litigations, the SEC Investigation or any related claim subject to the applicable Insurer's determination that such matters and Defense Costs are covered under the respective D&O Policies and subject to the reservation of rights by any Insurer or by any Insured, including the Individual Insureds, under the D&O Policies and applicable law.

2. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby further modified to the extent necessary to allow the Insurers under the D&O Policies to pay,

reimburse, and/or advance insurance proceeds and/or make payments from the D&O Policies for post-petition Defense Costs that are anticipated to accrue from July 1, 2022 through and including the earlier of the Effective Date or October 31, 2022. In that regard, counsel for the Movants, the Individual Insureds, or the Debtors, shall provide a monthly budget for estimated Defenses Costs and related expenses (the “Budget”),³ which Budget shall be provided to the (i) counsel for the Insurer to the Debtors and (ii) the Committee by way of their undersigned counsel, one week prior to the beginning of each month. During a one week notice period (the “Notice Period”) the Budget shall be subject to further adjustment either by agreement among the Parties and the Insurers, or by further order of this Court, and nothing herein shall constitute authorization for payments under the D&O Policies for amounts other than Defense Costs unless either agreed to by and among the Parties and the Insurers, or by further order of this Court. Each agreed upon Budget will then be subject to post-monthly reporting that shall be provided within one week of the expiration of the month, with such reporting to be provided to (i) counsel for the Insurer to the Debtors and (ii) the Committee, and which amounts, (i) for the period of July 1, 2022 through and including September 30, 2022, shall not be reimbursed, advanced, or paid until after September 30, 2022 (but shall be paid on or before November 15, 2022); and (ii) for the period of October 1, 2022 through the earlier of the Effective Date or October 31, 2022, shall not be reimbursed, advanced, or paid until after the earlier of the Effective Date or October 31, 2022 (but shall be paid on or before December 15, 2022), where such matters are potentially covered under the respective D&O Policies and subject to the reservation of rights by any Insurer or by any insured, including the Individual Insureds, under the D&O Policies and applicable law.

³ The parties have agreed to Budgets for July-September 2022.

3. For the purposes of resolving the current requests for Defense Costs from the Movants and the other Individual Insureds, the Parties hereby agree that any priority of payments provision in applicable D&O Policies that otherwise would prohibit or impair the advancement and/or payment of Defense Costs shall not apply to the advancement and/or payment of Defense Costs up to the Cap for amounts incurred or made within the applicable D&O Policies' limit of liability (aggregate or otherwise), and to the extent the priority of payments provision (or any other provision of the applicable D&O Policy addressing the priority of payments under the policy) would prohibit or impair the advancement and/or payment of Defense Costs, each of the Individual Insureds, Debtors, and Committee waive the right to object to the advancement and/or payment of Defense Costs based on such provision of the D&O Policies only to the extent specifically addressed in this paragraph 3. In the event any of the Insurers does not also agree to the waiver in this paragraph 3, the Parties reserve all rights.

4. Except as otherwise specified in this Stipulation and Order, in entering into this Stipulation and Order, each of the Parties hereto expressly reserves all rights any or all may have to make any contention whatsoever concerning the applicable D&O Policy, its coverage or scope, each Insurer's duty, if any, to make interim advancements of Defense Costs, and all other matters connected with the applicable D&O Policy and the claims submitted thereunder. Nothing herein shall prejudice the current or future position of each Insurer and/or any of the Parties, and the Parties reserve all rights, with respect to (i) future motions to lift or modify the automatic stay in these proceedings, or motions to determine the automatic stay does not apply, or (ii) the application of any portion of the D&O Policies, including, but not limited to, any settlements in connection with the Litigations, *provided that*, any argument, objection or position of the Parties with respect to any provision of the D&O Policies addressing the priority of

payments under the applicable D&O Policies up to the Cap and that otherwise would prohibit or impair the advancement and/or payment of Defense Costs has been waived pursuant to this Stipulation and Order to the extent specifically addressed in paragraph 3 above.

5. The Movants, the other Individual Insureds, the Debtors and the Committee hereby agree that it or he/she does not object to an Insurer's advancement of Defense Costs up to the Cap under a D&O Policy to any of the Individual Insureds or as contemplated by the Budget to the extent such advances are made subject to the terms of this Stipulation and Order; provided, further, however, Individual Insureds, the Debtors and the Committee reserve the right to seek and amendment to the Budget to the extent circumstances or developments warrant an appropriate adjustment.

6. The Parties understand and agree that advancements by the Insurer to counsel for each Individual Insured and to counsel for other Individual Insureds under the applicable D&O Policy will reduce and may exhaust the applicable D&O Policy's limit of liability, and no advancements and/or payments made in accordance with this Stipulation and Order shall be deemed improper or a breach of the applicable D&O Policy.

7. Nothing herein shall constitute a finding by the Court or an admission by any Insurer or the Parties that the proceeds of the D&O Policies are or are not property of the Debtors' estates, and the Court makes no finding as to the applicability of the automatic stay imposed by section 362(a) of the Bankruptcy Code as to the applicable D&O Policy's proceeds; *provided, however*, that the Parties acknowledge and agree that the payments made pursuant to this Stipulation and Order cannot be challenged or recovered by any of the Parties or any Insurer on the basis that that the proceeds of the D&O Policies used to make those payments are property of the Debtors' estates.

8. The Parties acknowledge and agree that advancements of Defense Costs under this Stipulation and Order are made pursuant to the D&O Policies and properly are credited by the Insurers against any D&O Policies limit (aggregate or otherwise) and shall be applied toward exhaustion of any such D&O Policies limit (aggregate or otherwise) unless and until any permitted repayment to the Insurer actually is made on account of any amount previously advanced.

9. Nothing in this Stipulation and Order shall constitute (i) a waiver, modification or limitation of any Insurer's reservation of all of its rights, remedies and defenses under the applicable D&O Policies, and/or (ii) a finding that such sums are due and owing, or in what amount, under the applicable D&O Policies.

10. Nothing in this Stipulation and Order shall constitute a waiver, modification or limitation of the Debtors, any Individual Insureds', or any other insured individual's, reservation of all rights, remedies and defenses under the applicable D&O Policies or applicable law, including in connection with any claim for indemnification, reimbursement or subrogation.

11. Nothing in this Stipulation and Order shall constitute a waiver, modification or limitation of the Debtors' reservation of all of its rights, remedies and defenses in connection with any claim for indemnification, reimbursement or subrogation.

12. Except as set forth herein, this Stipulation and Order shall not modify or change any of the terms and conditions of the D&O Policies.

13. After the payment of Defense Costs for the period of July 1, 2022 through and including September 30, 2022 (the "First Reporting Period") as addressed in Paragraphs 1-2 above, the Movants shall file a Statement on the Court's docket for the Debtors' jointly

administered cases (under Case No. 22-10615 (LGB)) setting forth the amount of Defense Costs paid for the First Reporting Period.

14. After the payment of Defense Costs for the period of October 1, 2022, through and including the earlier of the Effective Date or October 31, 2022 (the “Second Reporting Period”) as addressed in Paragraphs 1-2 above, the Movants shall file a Statement on the Court’s docket for the Debtors’ jointly administered cases (under Case No. 22-10615 (LGB)) setting forth the amount of Defense Costs paid for the Second Reporting Period.

15. This Stipulation and Order may be executed in any number of counterparts, and each such counterpart is to be deemed an original for all purposes, but all counterparts shall collectively constitute one agreement. Further, electronic signatures or transmissions of an originally signed document by facsimile or Adobe.pdf shall be as fully binding on the parties as an original document.

16. Each of the Parties to the Stipulation and Order represents and warrants that it has full and requisite power and authority to execute, deliver and perform its obligations under this Stipulation and Order.

17. This Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation, and all parties submit to the jurisdiction of this Court for purposes of implementing and enforcing this Stipulation.

18. This Stipulation and Order is immediately valid and fully effected upon its entry and the parties stipulate to the waiver of the 14-day stay pursuant to Fed. R. Bankr. Proc. 4001(a).

Dated: New York, New York
September 28, 2022

PARETEUM CORPORATION, ET AL.
Debtors and Debtors in Possession
By their Counsel

By: TOGUT, SEGAL & SEGAL LLP

/s/ Brian F. Moore
FRANK A. OSWALD
BRIAN F. MOORE
One Penn Plaza, Suite 3335
New York, New York 10119
(212) 594-5000

Dated: New York, New York
September 28, 2022

*LAURA THOMAS, LUIS JIMENEZ-TUÑON, and
ROBERT LIPPERT*

By: DAVIS WRIGHT TREMAINE LLP

/s/ James K. Goldfarb
JAMES K. GOLDFARB
1185 Avenue of the Americas 21st Floor
New York, New York 10036
(212) 880-3961

Dated: New York, New York
September 28, 2022

*CERTAIN CURRENT AND FORMER
EXECUTIVES OF THE DEBTORS*

By: JENNER & BLOCK

/s/ Melissa Root
MELISSA ROOT
Dated: New York, New York
September 26, 2022

Dated: New York, New York
September 28, 2022

*ROBERT H. TURNER, EDWARD O'DONNELL,
DENIS MCCARTHY, VICTOR BOZZO, ROBERT
MUMBY, and YVES VAN SANTE*

By: BAKER & HOSTETLER LLP

/s/ Jorian L. Rose
JORIAN L. ROSE
MICHAEL A. SABELLA
45 Rockefeller Plaza
New York, New York 10111
(212) 589-4200
Dated: New York, New York
September 26, 2022

LUIS JIMENEZ-TUÑON
and *ROBERT LIPPERT*

By: FINCH MCCRANIE

/s/ Walter Jospin

WALTER JOSPIN

Dated: New York, New York
September 28, 2022

ADDITIONAL INSURED

By: SKADDEN, ARPS, SLATE, MEAGHER &
FLOM, LLP

/s/ Steven R. Glaser

STEVEN R. GLASER

One Manhattan West

New York, New York 10001-8602

Dated: New York, New York
September 28, 2022

*CERTAIN FORMER EXECUTIVES OF THE
DEBTORS*

By: MANDELBAUM BARRETT PC

/s/ Vincent J. Roldan

JEFFREY M. ROSENTHAL

VINCENT J. ROLDAN

3 Becker Farm Road

Roseland, New Jersey 07068

(973) 243-7996

Dated: New York, New York
September 28, 2022

THE COMMITTEE

By Counsel for the Official Committee of
Unsecured Creditors

By: SIDLEY AUSTIN LLP

/s/ Michael Fishel

MICHAEL G. BURKE

787 Seventh Avenue

New York, New York 10019

(212) 839-5300

and

MICHAEL FISHEL (admitted pro hac vice)
MAEGAN QUEJADA (admitted pro hac vice)
1000 Louisiana Street, Suite 5900
Houston, Texas 77002
(713) 495-4500

Dated: New York, New York
September 28, 2022

Date: New York, New York
October 11th, 2022

/s/ Lisa G. Beckerman

THE HON. LISA G. BECKERMAN

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT T-13

[Debtors' Limited Objection, Dkt. No. 184]

TOGUT, SEGAL & SEGAL LLP

Frank A. Oswald
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Amy M. Oden
One Penn Plaza, Suite 3335
New York, New York 10119
(212) 594-5000

*Counsel to the Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-10615 (LGB)

(Jointly Administered)

**THE DEBTORS' LIMITED OBJECTION
TO MOTION FOR ENTRY OF ORDER MODIFYING THE AUTOMATIC STAY,
TO THE EXTENT APPLICABLE, TO APPROVE AND ALLOW THE
ADVANCEMENT OF DEFENSE COSTS UNDER D&O INSURANCE POLICIES**

TO THE HONORABLE LISA G. BECKERMAN,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this limited objection (the “Limited Objection”) to the motion (the “Motion”)² of non-debtors Robert H. Turner, Edward O’Donnell, Denis McCarthy, Victor Bozzo, Robert Mumby, Robert Lippert, and Yves Van Sante (collectively, the “Movants”) seeking an order (the “Order”) pursuant to section 362(d)(1) of title 11 of the United States Code permitting the advancement of Defense Dosts under certain D&O Policies notwithstanding section 362 of the Bankruptcy Code.

¹ The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, if applicable, are: Pareteum Corporation (7538); Pareteum North America Corp. (f/k/a Elephant Talk North America Corp.) (9623); Devicescape Holdings, Inc. (2909); iPass, Inc. (4598); iPass IP LLC (2550); Pareteum Europe B.V.; Artiliium Group Ltd. (f/k/a Artiliium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artiliium N.V.). The Debtors’ corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.



Statement

1. The Debtors have been engaged in discussions with the various parties in interest in these cases but have not, to date, been able to achieve consensus with as to the terms of a stipulation resolving the issues raised in the Motion, pursuant to which Defense Costs under the D&O Policies would be advanced subject to a “Cap” and “Budget” process, as described below. Consequently, this Limited Objection is being filed to preserve the interests of the Debtors’ estates and creditors in the D&O Policies and their proceeds, which are the subject of the Motion.

2. Courts in this District are generally familiar with the legal and factual issues presented by motions for relief from the automatic stay under section 362 Bankruptcy Code where the movants, as here, are individual non-debtors seeking to access the proceeds of director and officer insurance coverage obtained and paid for on a prepetition basis by a debtor. *See In re MF Global Holdings Ltd.*, 469 B.R. 177, 190-91 (Bankr. S.D.N.Y.2012) (approving modification to the stay to advance defense costs, subject to a “soft” cap). Here, however, the issues are more complicated for two compelling reasons.

3. First, the Debtors’ D&O Policies potentially provide coverage not only to the Movants, but also to the Debtors’ estates and creditors, as well as other current and former and directors and officers of the Debtors who are neither parties to the Motion nor represented by the Movants’ counsel (the “Other Individual Insureds” and, together with the Movants, the “Ds&Os”). The Movants, Debtors and the Other Individual Insureds have been variously named as defendants in a number of lawsuits brought by current and former shareholders of the Debtors (the “Shareholder Litigation”) concerning, *inter alia*, Pareteum’s October 21, 2019

² Defined terms shall have the meanings ascribed to them in the Motion unless otherwise defined herein.

announcement that it would be restating its financials, including, but not limited to: (i) *In re Pareteum Securities Litigation*, No. 1:19-cv-09767-AKH-GWG (S.D.N.Y.); (ii) *Douglas Loskot v. Pareteum Corp. et al.*, 20-CIV-02279 (Cal. Super. Ct., San Mateo Cnty.); *Sabby Volatility Warrant Master Fund, Ltd. v. Pareteum Corp., et al.*, No. 19-cv-10460-AKH (S.D.N.Y.); (iii) *In re Pareteum Corporation Stockholder Derivative Litigation*, No. 1:20-cv-06264 (S.D.N.Y.); and (iv) *William Miller, derivatively on behalf of Pareteum Corp. v. Victor Bozzo, et al.*, No. 651381/2020 (N.Y. Sup. Ct, NY Cty.) consolidating *Wei Zhang, derivatively on behalf of Pareteum Corp. v. Robert Turner, et al.*, No. 651913/2020 (N.Y. Sup. Ct.) and *Michael Shaw, derivatively on behalf of Pareteum Corp. v. Luis Jimenez-Tunon, et al.*, No. 155606/2020 (N.Y. Sup. Ct, NY Cty.)).

4. The Movants are represented by Baker Hostetler in the Shareholder Litigation, as well as by Jenner & Block in an ongoing Department of Justice (DOJ) investigation (the “DOJ Investigation”). The Debtors are being represented by McGuireWoods LLP in both the Shareholder Litigation and the DOJ Investigation. Among the Other Individual Insureds: (i) Laura Thomas, Luis Jimenez-Tuñon, and Robert Lippert are represented by McGonigle, P.C.; (ii) Luis Jimenez-Tuñon, and Robert Lippert are represented by Finch McCranie, and (iii) Alexander Korff is being represented by Skadden, Arps, Slate, Meagher & Flom LLP. There are additional counsel who are representing additional Other Individual Insureds who may have an interest in the proceeds of the D&O Policies as well.

5. To date, the coverage provided by the Debtors’ primary D&O Policy has been exhausted in connection with the Shareholder Litigation and the DOJ Investigation. And, of the \$20 million in remaining excess coverage under the D&O Policies (as identified by the Movants in their Motion), it is estimated that almost \$4 million has been disbursed or has been incurred

but not otherwise paid or reimbursed as of June 30, 2022 under the current \$5 million layer of excess insurance. Clearly, the Debtors' insurance coverage and proceeds, which is potentially the greatest source of recovery for the unsecured creditors in these Chapter 11 Cases, is being rapidly depleted. In that regard, where liability insurance policies provide direct coverage to both corporate debtors along with their directors and officers, courts in bankruptcy proceedings in the Southern District have held that "the proceeds will be property of the estate if depletion of the proceeds would have an adverse effect on the estate to the extent the policy actually protects the estate's other assets from diminution." *In re MF Global Holdings Ltd.*, 469 B.R. at 190-91 (Bankr. S.D.N.Y.2012) citing *In re Downey Fin. Corp.*, 428 B.R. 595, 603 (Bankr. D. Del. 2010). Thus, the continued advancement of Defense Costs is of paramount concern to the Debtors, as well as the Official Committee of Unsecured Creditors appointed in their Chapter 11 Cases (the "Creditors Committee"), since any advances or reimbursements for Defense Costs under the applicable D&O Policy will further reduce and erode the policies' limit of liability (or coverage).

6. Second, the advancement of Defense Costs here needs to be balanced with respect to the posture of the Debtors' Chapter 11 Cases, and the estates' need to: (i) complete the sale of their business as a going concern; (ii) confirm a plan of liquidation, and (iii) establish a litigation trust and appoint a litigation trustee to investigate and possibly pursue, including against certain of the Debtors' Ds&Os, various claims and causes of action on behalf of these Chapter 11 estates and their creditors. Accordingly, to ensure that insurance proceeds are preserved and not depleted by the Ds&Os in connection with the Shareholder Litigation (as well as the DOJ Investigation), the Debtors, in consultation with the Creditors Committee, seek an appropriate "cap" or limitation on the amount of Defense Costs that may be advanced or disbursed under the

D&O Policies, whereby counsel for all of the Ds&Os, not just the Movants, provide a good faith budget and description of services expected to be rendered by counsel during the next three months, or similarly reasonable duration taking into consideration the estates' interests.

7. To that end, the Debtors and the Creditors Committee have proposed that there be an initial Cap for Defense Costs to be advanced through June 30, 2022 and that the counsel for the Ds&Os (*i.e.*, the Movants and the Other Individual Insureds) each submit good faith monthly estimates for review by the Debtors and the Creditors Committee (each estimate a "Budget"), which will then be subject to monthly reporting for the post-Petition legal costs and expenses to be anticipated to be incurred through September 30, 2022. The Debtors submit that such an approach would be consistent with both the general practice in the Southern District and the Court's prior comments on the issue:

THE COURT: Yeah, and look, I understand completely the issue about the cap. I mean, I don't think I've actually signed an order since I've been a judge on this issue without a cap myself. And obviously, I understand the issue of various parties' interests in the insurance proceeds, including the estates. So that makes sense to me that you would need to have a discussion about a cap of some kind.
Transcript of June 15, 2022 Hearing. Tr. 33:4-11.

8. In establishing the Cap and Budget process, the Debtors submit that there will be a protocol in place to allow the Debtors and the Creditors Committee to monitor and have transparency as to what otherwise will be a diminishing asset, while the Debtors are seeking to promulgate a plan of liquidation and establish a liquidating trust that will similarly have an interest in the proceeds of the D&O Policies for the benefit of creditors. Thus, rather than providing for an unfettered access and thereby creating a race to the policy proceeds, the Debtors request that a reasonable Cap and Budget for the Defense Costs of Ds&Os advanced or reimbursed be put in place through September 30, 2022 to ensure that all the potential insureds (including the Debtors' estates and creditors) have access to the coverage provided by the D&O

Policies, while allowing the Debtors the breathing space to promulgate a Chapter 11 plan that provides for the creation of a litigation trust (especially now that the sale of the Debtors' assets as a going concern has been approved by the Court).

9. Lastly, the establishment of such a Cap would be without prejudice to the rights of the parties seek the advance of additional Defense Costs in the future, and all of their respective interests in that connection would be preserved. By implementing this approach, the Debtors submit the Court need not determine at this time whether the proceeds of the D&O Policies are property of the Debtors' estates in order to allow the insurance carriers to advance or reimburse such Defense Costs, subject to the insurers' reservation of rights as to coverage (*see In re MF Global Holdings Ltd.*, 469 B.R. at 190) and without prejudicing the interests of the Debtors' estates and creditors as they navigate the Chapter 11 process through September 30, 2022.

[Concluded on following page]

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) condition its approval of the Motion, and make any Order it enters in connection with the relief sought by the Movants, subject to the Cap and Budget process as proposed herein, and (ii) grant such other relief as the Court deems appropriate under the circumstances.

Dated: New York, New York
July 5, 2022

PARETEUM CORPORATION, *ET AL.*
Debtors and Debtors in Possession
By their Counsel
TOGUT, SEGAL & SEGAL LLP,
By:

/s/Frank A. Oswald
FRANK A. OSWALD
BRIAN F. MOORE
AMY M. ODEN
One Penn Plaza, Suite 3335
New York, New York 10119
Tel: (212) 594-5000
Facsimile: (212) 967-4258
Email: frankoswald@teamtogut.com
bmoore@teamtogut.com
aoden@teamtogut.com

EXHIBIT T-14

[True and correct copies of nine (9) checks, in aggregate amount of \$1,982,270.66]

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at (833) 240-4128

Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

88-88
1113

Source: CAPS

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON.ELLIS

Date: 10/19/2021

Void After 180 Days

PAY One Hundred Forty-Four Thousand One Hundred Twenty-Six Dollars And Zero Cents**

Amount: \$144,126.00

PAY TO THE ORDER OF MCGUIREWOODS LLP

John K. Goss

AUTHORIZED REPRESENTATIVE

Mary Skutzi

AUTHORIZED REPRESENTATIVE

PAYEE ADDRESS FOR
ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND, VA 23219-3916
INVS.: 92505527, 92505528, 92505529, 92510500, 92510501, 92524239, 92524238, 92530038, 92530039, 925



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVS.: 92505527, 92505528, 92505529, 92510500, 92510501, 92524239, 92524238, 92530038, 92530039, 925

Check Number: 01666059

Contact us at (833) 240-4128

Issued: 10/19/2021

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pymt Desc	Adjuster	FEIN/SSNO	Insured Name			Treaty Name
278166	KEVIN O'BRIEN		144,126.00		ML7602071	10/22/2019	
EX	LEGL PT	JASON.ELLIS			PARETEUM CORPORATION		
	Total		144,126.00				

Memo

INVS.: 92505527, 92505528, 92505529, 92510500, 92510501, 92524239, 92524238, 92530038, 92530039, 92538866, 92538867

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND VA 23219-3916

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at :(833) 240-4128

JPMorgan Chase Bank, N.A.
Dallas, TX

Check Number: 01670092

Source: CAPS

Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

88-88
1113

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON ELLIS

Date: 12/23/2021

Void After 180 Days

PAY One Hundred Forty-Six Thousand Eight Hundred Sixty Dollars And Fifty Cents**

Amount: \$146,860.50

PAY TO THE ORDER OF MCGUIREWOODS, LLP

[Signature]
AUTHORIZED REPRESENTATIVE
[Signature]
AUTHORIZED REPRESENTATIVE

PAYEE ADDRESS ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND, VA 23219-3916
FOR INVS.: 92552696, 92552697, 92552698, 92552699



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS, LLP

Payer: Colony Insurance Company

For: INVS.: 92552696, 92552697, 92552698, 92552699

Check Number: 01670092

Contact us at :(833) 240-4128

Issued: 12/23/2021

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pymt Desc	Adjuster	FEIN/SSNO	Insured Name	Treaty Name		
278166	KEVIN O'BRIEN		146,860.50		ML7602071	10/22/2019	
EX	LEGL PT	JASON ELLIS			PARETEUM CORPORATION		
	Total		146,860.50				

REDACTED

Mail To: MCGUIREWOODS, LLP
ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND VA 23219-3916

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES. SEE BACK FOR DETAILS. Pg 4 of 10

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at : (833) 240-4128

JPMorgan Chase Bank, N.A.
Dallas, TX

Check Number: **01639978**

Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

88-88
1113

Source: CAPS

Claim Number: 278168
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON.ELLIS

Date: 06/22/2020
Void After 180 Days

PAY Two Hundred Ninety-Three Thousand Eight Hundred Thirteen Dollars And Twenty-Nine Cents**

Amount: \$293,813.29

PAY TO THE ORDER OF MCGUIREWOODS LLP

John K. Gamm
AUTHORIZED REPRESENTATIVE
Mary Blutig
AUTHORIZED REPRESENTATIVE

PAYEE ATTN: ACCOUNTS RECIEVABLE
ADDRESS GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND, VA 23219-3916
FOR INVS.: 92355725, 92355718, 92343164, 92355717, 92316572, 92343163, 92316571, 92343162, 92355716

HEAT SENSITIVE
AREA TO VOID

DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVS.: 92355725, 92355718, 92343164, 92355717, 92316572, 92343163, 92316571, 92343162, 92355716

Contact us at : (833) 240-4128

Check Number: 01639978

Issued: 06/22/2020

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pyml Desc	Adjuster	FEIN/SSNO	Insured Name	Treaty Name		
278168	KEVIN O'BRIEN		293,813.29		ML7602071	10/22/2019	
EX	LEGL PT	JASON.ELLIS			PARETEUM CORPORATION		
	Total		293,813.29				

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECIEVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND VA 23219-3916

Claim Number: 278166
Date of Loss: 10/22/2018
Claimant: KEVIN O'BRIEN
Period Covered:
Adjuster: JASON ELLIS
Date: 10/05/2020
Void After 180 Days
Amount: \$571,229.17
PAY: Five Hundred Seventy-One Thousand Two Hundred Twenty-Nine Dollars And Seventeen Cents**
PAY TO THE ORDER OF: MCGUIREWOODS LLP
AUTHORIZED REPRESENTATIVE: Mary Stutts

PAYEE ADDRESS: GATEWAY PLAZA
800 EAST CANAL STREET ATN ACCTS RECEIVABLE
RICHMOND, VA 23219-3916
FOR: 92397693 92397694 92397692 92388705 92377149 92388706 92377150 92388707 92388703 92377152 92377151



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: 92397693 92397694 92397692 92388705 92377149 92388706 92377150 92388707 92388703 92377152 92377151
Check Number: 01645340
Issued: 10/05/2020
Contact us at: (833) 240-4128

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	DI of Loss	Period Covered
278166	KEVIN O'BRIEN		571,229.17	571,229.17	ML7602071	10/22/2018	
EX	LEGL PT	JASON ELLIS			PARETEUM CORPORATION		
		Total	571,229.17				

REDACTED

Mail To: MCGUIREWOODS LLP
GATEWAY PLAZA
800 EAST CANAL STREET ATN ACCTS RECEIVABLE
RICHMOND VA 23219-3916

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at :(833) 240-4128

True and correct copies of nine (9) checks in aggregate amount of
Dallas, TX
Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

Pg 6 of 10
Check Number: 01649013

Source: CAPS

88-88
1113

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON.ELLIS

Date: 12/09/2020
Void After 180 Days

Amount: \$129,154.00

PAY One Hundred Twenty-Nine Thousand One Hundred Fifty-Four Dollars And Zero Cents**

PAY TO THE ORDER OF MCGUIREWOODS LLP

John H. Gorman
AUTHORIZED REPRESENTATIVE
Mary Zlotnik
AUTHORIZED REPRESENTATIVE

PAYEE ADDRESS FOR ATTN: ACCOUNTS RECIEVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND, VA 23219-3916
INVS.: 92426410, 92426411



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVS.: 92426410, 92426411
Check Number: 01649013
Issued: 12/09/2020

Contact us at :(833) 240-4128

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pynt Desc	Adjuster		FEIN/SSNO	Insured Name		Treaty Name
278166	KEVIN O'BRIEN		129,154.00		ML7602071	10/22/2019	
EX	LEGL PT	JASON.ELLIS			PARETEUM CORPORATION		
	Total		129,154.00				

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECIEVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND VA 23219-3916

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON.ELLIS

PAY Two Hundred Ninety Thousand Six Hundred Thirty-Nine Dollars And Thirty Cents**

PAY TO THE ORDER OF MCGUIREWOODS LLP

John K. Gaur
AUTHORIZED REPRESENTATIVE
Mary E. Stutz
AUTHORIZED REPRESENTATIVE

PAYEE ADDRESS ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND, VA 23219-3916
FOR INVS.: 92413095, 92413096, 92413097, 92419667, 92419670, 92419672



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVS.: 92413095, 92413096, 92413097, 92419667, 92419670, 92419672

Check Number: 01649595

Contact us at :(833) 240-4128

Issued: 12/17/2020

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pymt Desc	Adjuster		FEIN/SSNO	Insured Name		Treaty Name
278166	KEVIN O'BRIEN		290,639.30		ML7602071	10/22/2019	
EX	LEGL PT	JASON.ELLIS			PARETEUM CORPORATION		
		Total	290,639.30				

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND VA 23219-3916

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at : (833) 240-4128

JP Morgan Chase Bank, N.A.
Dallas, TX
Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

88-88
1113

Source: CAPS

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON ELLIS

Date: 12/29/2020

Void After 180 Days

PAY Sixty-Three Thousand Two Hundred Eighty-Five Dollars And Zero Cents**

Amount: \$63,285.00

PAY TO THE ORDER OF MCGUIREWOODS LLP

John K. Gawn
AUTHORIZED REPRESENTATIVE
Mary Stutts
AUTHORIZED REPRESENTATIVE

PAYEE MCGUIREWOODS LLP - ATTN: ACCOUNTS RECEIVABLE
ADDRESS 800 EAST CANAL STREET
RICHMOND, VA 23219-3916
FOR INVOICE #S: 924402246, 92440247



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVOICE #S: 924402246, 92440247

Check Number: 01650256
Issued: 12/29/2020

Contact us at : (833) 240-4128

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pymt Desc	Adjuster	FEIN/SSNO	Insured Name	Treaty Name		
278166	KEVIN O'BRIEN	JASON ELLIS	63,285.00		ML7602071	10/22/2019	
EX	LEGL PT	Total	63,285.00		PARETEUM CORPORATION		

Mail To: MCGUIREWOODS LLP
MCGUIREWOODS LLP - ATTN: ACCOUNTS RECEIVABLE
800 EAST CANAL STREET
RICHMOND VA 23219-3916

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECIEVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET
RICHMOND VA 23219-3916

Colony Insurance Company
On Behalf Of: ARGONAUT INSURANCE COMPANY
Handled By:
Contact us at :(833) 240-4128

Dallas, TX

Policy/Certificate: ML7602071
Insured: PARETEUM CORPORATION

BB-BB
1113

Source: CAPS

Claim Number: 278166
Date of Loss: 10/22/2019
Claimant: KEVIN O'BRIEN

Period Covered:
Adjuster: JASON ELLIS

Date: 07/08/2021
Void After 180 Days

PAY Two Hundred Thirty-Six Thousand One Hundred Forty-Seven Dollars And Ninety Cents**

Amount: \$236,147.90

PAY TO THE ORDER OF MCGUIREWOODS LLP

John K. Goss
AUTHORIZED REPRESENTATIVE
Mary E. Stuts
AUTHORIZED REPRESENTATIVE

PAYEE ADDRESS FOR ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND, VA 23219-3916
INVS.: 92469936, 92469934, 92469935, 92480502, 92480503, 92480504, 92494827, 92494828



DETACH BEFORE CASHING (Retain stub for your records.)

Pay To: MCGUIREWOODS LLP

Payer: Colony Insurance Company

For: INVS.: 92469936, 92469934, 92469935, 92480502, 92480503, 92480504, 92494827, 92494828

Check Number: 01660044

Contact us at :(833) 240-4128

Issued: 07/08/2021

Claim Number	Claimant Name	Invoice	Paid Amt	Billed Amt	Policy/Certificate	Dt of Loss	Period Covered
Type Pay	Pynt Desc	Adjuster	FEIN/SSNO	Insured Name			Treaty Name
278166	KEVIN O'BRIEN		236,147.90		ML7602071	10/22/2019	
EX	LEGL PT	JASON ELLIS			PARETEUM CORPORATION		
	Total		236,147.90				

Mail To: MCGUIREWOODS LLP
ATTN: ACCOUNTS RECEIVABLE
GATEWAY PLAZA, 800 EAST CANAL STREET, 10TH FLOOR
RICHMOND VA 23219-3916

EXHIBIT T-15

[True and correct copy of wire transfer receipt in amount of \$460,642.55]

REDACTED

Incoming Money Transfer Credit (195)	460,642.55	460,642.55	0.00	0.00	220414303642	0414303642
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Text

WIRE TYPE:WIRE IN DATE:041422 TIME:1020 ET
TRN:2022041400303642 SNDR REF:3467700104JO
SERVICE REF:20220414B1QGC08C008841
RELATED REF:CAP OF 22/04/14
ORIG:XL SPECIALTY INSURANCE COXL PROFESSION 100
CONSTRUCTIONAL PLZ HARTFORD CT 06103- US ID:304909254
ORG BK: ID:
INS BK: ID:
SND BK:JPMORGAN CHASE BANK NA ID:021000021
BNF:MCGUIRE WOODS LLP 800 EAST CANAL STREET RICHMOND VA 2
3219 US ID:000003664964
BNF BK: ID:
PAYMENT DETAILS:
CAP OF 22/04/14 PARETEUM CORP (CLAIM NO. 4613257)
UETR:09fcb89e-7e24-430c-8b0d-208dbab5fabd

REDACTED

REDACTED

REDACTED

EXHIBIT T-16

[XL Specialty Insurance Company Payment Summary]

Pareteum - XL Specialty Payments			
Firm	Service Date	Representing	Amount Paid
Mandelbaum Barrett PC (Formerly Mandelbaum Salsberg)	Nov. 2021 - Aug. 2022	Certain former executives	\$ 93,224.46
Finch McCranie, LLP	Nov. 2021 - Aug. 2022	Robert Lippert and Luis Jimenez-Tunon	\$ 17,301.50
BakerHostetler	Nov. 2021 - Jul. 2022	Turner, O'Donnell, McCarthy, Bozzo, Mumby, Van Sante	\$ 1,088,775.46
Perkins Coie	May 2021 - Aug. 2022	Robert Mumby	\$ 80,600.17
Nexsen Pruet	Dec. 2021 - Aug. 2022	Hal Turner	\$ 91,552.13
McLaughlin & Stern, LLP	Jan. 2021 - Aug. 2022	Edward O'Donnell	\$ 196,372.72
Hand Baldachin & Associates	Dec. 2021 - Aug. 2022	Denis McCarthy	\$ 9,872.79
Robert Lippert Expenses	Dec. 2021	Robert Lippert Travel Expenses	\$ 1,337.56
Jenner & Block	Dec. 2021 - Aug. 2022	Pool Counsel for certain former executives in connection with SDNY investigation	\$ 2,127,996.99
Phillips ADR	Dec. 2021; Jul. 2022	Mediation Fees	\$ 53,750.00
Berkeley Research Group	Dec. 2021 - Aug. 2022	Document Vendor	\$ 10,719.00
Epiq	Feb. 2022 - Aug. 2022	Document Vendor	\$ 62,827.78
Skadden, Arps, Slate, Meagher & Flom LLP	Feb. 2022 - Aug. 2022	Alexander Korff	\$ 64,536.58
McGonigle, P.C.	Apr. 2022 - Jun. 2022	Luis Jimenez - Tunon, Robert Lippert, & Laura Thomas	184584.7
Davis Wright Tremaine	Jul. 2022 - August 2022	Luis Jimenez - Tunon, Robert Lippert, & Laura Thomas	\$ 165,785.71
Olshan	Mar. 2020 - Aug. 2022	Hal Turner	\$ 94,116.37
NERA Economic Consulting	Jan. - Jun. 2022	Expert Fees	\$ 26,138.75
			\$ 4,369,492.67

EXHIBIT T-17

[Pareteum's 10-Q, 2021 Q1 Quarterly Report]

[Table of Contents](#)

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

FORM 10-Q

☒ Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2021

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

001-35360

(Commission file No.)



PARETEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-4557538

(I.R.S. employer identification no.)

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

(Address of principal executive offices) (Zip Code)

(646) 975-0400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.00001 par value per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

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

☒

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 20, 2021, there were 142,697,197 shares of the Company's common stock outstanding.

PARETEUM CORPORATION AND SUBSIDIARIES
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For the Period Ended March 31, 2021

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**PARETEUM CORPORATION AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2021	December 31, 2020 As revised
(In thousands, except share and par values)		
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,098	\$ 8,275
Restricted cash	6,459	6,479
Accounts receivable, net of allowance for doubtful accounts of \$2,213 and \$2,077 as of March 31, 2021 and December 31, 2020, respectively	12,379	11,608
Note receivable, net	300	300
Prepaid expenses and other current assets	2,443	3,672
Total current assets	23,679	30,334
Right-of-use assets, net	754	1,044
Property, equipment, and software development, net	4,139	5,090
Intangible assets, net	12,187	12,998
Goodwill	10,560	11,043
Other assets	724	749
TOTAL ASSETS	<u>\$ 52,043</u>	<u>\$ 61,258</u>
<u>LIABILITIES, REDEEMABLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT</u>		
Current liabilities:		
Accounts payable and customer deposits	\$ 33,218	\$ 36,034
Net billings in excess of revenues	3,521	3,634
Accrued expenses and other payables	14,797	13,044
Term loan	241	242
Current portion of promissory notes	481	604
Related party loan	311	337
Current portion of lease liabilities	312	524
Derivative liabilities	3,601	6,163
Senior Convertible Note, net	7,521	6,655
Total current liabilities	64,003	67,237
Junior Convertible Note, net	54	—
Lease liabilities, net of current portion	512	601
Promissory notes, net of current portion	228	330
Paycheck Protection Program loan	826	824
Warrant liability	5,850	7,768
TOTAL LIABILITIES	<u>71,473</u>	<u>76,760</u>
Commitments and contingencies		
Redeemable Preferred Stock, \$23,138 redemption value as of March 31, 2021 and December 31, 2020	<u>25,541</u>	<u>24,899</u>
Stockholders' deficit:		
Preferred stock, \$0.00001 par value: 49,995,966 shares authorized, 217.67 and 217.67 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	—	—
Common stock and additional paid-in capital, \$0.00001 par value: 500,000,000 shares authorized, 142,206,226 and 140,268,725 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	555,491	552,852
Accumulated other comprehensive loss	(9,318)	(8,660)
Accumulated deficit	(591,144)	(584,593)
TOTAL STOCKHOLDERS' DEFICIT	<u>(44,971)</u>	<u>(40,401)</u>
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT	<u>\$ 52,043</u>	<u>\$ 61,258</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

PARETEUM CORPORATION AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended March 31,	
	2021	2020
(In thousands, except share and per share values)		
Revenue	\$ 15,466	\$ 20,055
Costs and operating expenses:		
Cost of revenue, excluding depreciation and amortization	10,247	14,445
Product development	1,999	2,991
Sales and marketing	1,277	1,922
General and administrative	9,721	7,048
Depreciation and amortization	2,393	2,645
Total costs and operating expenses	25,637	29,051
Operating loss	(10,171)	(8,996)
Nonoperating expenses (income), net	(3,572)	525
Loss before income taxes	(6,599)	(9,521)
Income tax benefit	(48)	(97)
Net loss	(6,551)	(9,424)
Dividends and accretion of redemption premium on Redeemable Preferred Stock	647	—
Net loss attributable to common equity	\$ (7,198)	\$ (9,424)
Loss per common share:		
Net loss per share - basic and diluted	\$ (0.05)	\$ (0.07)
Weighted average shares outstanding during the period – basic and diluted	141,095,174	138,257,442
Net loss	\$ (6,551)	\$ (9,424)
Other comprehensive loss:		
Foreign currency translation loss	(658)	—
Comprehensive loss	\$ (7,209)	\$ (9,424)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

PARETEUM CORPORATION AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED
STATEMENTS OF CHANGES IN REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Redeemable Preferred Stock		
Balance, beginning of period	\$ 24,899	\$ —
Dividends and accretion of redemption premium on Redeemable Preferred Stock	647	—
Payment of dividends	(5)	—
Balance, end of period	<u>\$ 25,541</u>	<u>\$ —</u>
Common stock and additional paid-in capital		
Balance, beginning of period	\$ 552,852	\$ 547,948
Share-based compensation	770	2,395
Warrants issued for settlement agreement	—	653
Shares issued for Senior Convertible Note interest	788	—
Junior Convertible Note conversion feature	923	—
BMF warrant	805	—
Dividends and accretion of redemption premium on Redeemable Preferred Stock	(647)	—
Balance, end of period	<u>555,491</u>	<u>550,996</u>
Accumulated other comprehensive loss		
Balance, beginning of period	(8,660)	(10,017)
Foreign currency translation loss, net of tax	(658)	—
Balance, end of period	<u>(9,318)</u>	<u>(10,017)</u>
Accumulated deficit		
Balance, beginning of period	(584,593)	(539,493)
Net loss	(6,551)	(9,424)
Balance, end of period	<u>(591,144)</u>	<u>(548,917)</u>
Total stockholders' deficit	<u>\$ (44,971)</u>	<u>\$ (7,938)</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

PARETEUM CORPORATION AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (6,551)	\$ (9,424)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,393	2,645
Provision for doubtful accounts	364	251
Share-based compensation	770	2,395
Change in fair value of warrant and derivative liabilities	(4,698)	—
Amortization of deferred financing costs	97	113
Interest expense related to debt discount accretion and conversion feature	921	1,466
Warrants issued for settlement agreement	—	653
Gain on settlement of rental agreement	—	(469)
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,536)	421
Prepaid expenses and other current assets	1,449	2,553
Accounts payable and customer deposits	(2,571)	(920)
Net billings in excess of revenues and deferred revenue	(37)	(193)
Accrued expenses and other payables	2,521	(2,537)
Net cash used in operating activities	(6,878)	(3,046)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, equipment, and software development	(929)	(1,898)
Net cash used in investing activities	(929)	(1,898)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loans	(226)	(239)
Financing related fees	(151)	(223)
Proceeds from issuance of Redeemable Preferred Stock	—	4,194
Payment of dividends on Redeemable Preferred Stock	(5)	—
Proceeds from issuance of Junior Convertible Note	2,000	—
Net cash provided by financing activities	1,618	3,732
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(8)	(69)
Decrease in cash, cash equivalents, and restricted cash	(6,197)	(1,281)
Cash, cash equivalents, and restricted cash, beginning of period	14,754	5,902
Cash, cash equivalents, and restricted cash, end of period	\$ 8,557	\$ 4,621

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

PARETEUM CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Business and Operations

Pareteum Corporation, a Delaware corporation (“Pareteum”), along with its wholly owned and majority-owned subsidiaries (the “Company,” “we,” “us,” or “our”) is an experienced provider of communications platform as a service (“CPaaS”) solutions. The Company empowers enterprises, communications service providers, early-stage innovators, developers, Internet of things (“IoT”), and telecommunications infrastructure providers with the freedom and control to create, deliver and scale innovative communications experiences. Our CPaaS solutions connect people and devices around the world using secure, ubiquitous, and highly scalable solutions to deliver data, voice, video, SMS/text messaging, media, and content enablement.

We have developed mobility, messaging, connectivity, and security services applications. Our platform hosts integrated information technology/back office and core network functionality for mobile network operators and other enterprises, which allows our customers to implement and leverage mobile communications solutions on a fully outsourced software as a service (“SaaS”), platform as a service (“PaaS”), and/or infrastructure as a service (“IaaS”) basis: made available either as an on-premise solution or as a fully hosted service in the cloud, depending on the needs of our customers.

We deliver an operational support system (“OSS”) for channel partners, with application program interfaces for integration with third-party systems, workflows for complex application orchestration, customer support with branded portals and plug-ins for a multitude of other applications. These features facilitate and improve the ability of our channel partners to provide support and to drive sales.

Artium plc (“Artium”), a wholly owned subsidiary of Pareteum since October 2018, is a software development company active in the enterprise communications and core telecommunications markets delivering software solutions, which layer over disparate fixed, mobile, and intellectual property networks to enable the deployment of converged communication services and applications. iPass, Inc. (“iPass”), another wholly owned subsidiary of Pareteum since February 2019, is a cloud-based service provider of global mobile connectivity, offering Wi-Fi access on any mobile device through its SaaS platform.

Pareteum’s common stock is quoted on the OTC Markets Group Inc.’s Pink Open Market and traded under the symbol “TEUM.”

Liquidity

As reflected in the accompanying condensed consolidated financial statements and the Company’s Annual Report on Form 10-K, as filed with the SEC on June 17, 2021 (the “2020 Annual Report”), the Company reported cash used in operating and investing activities of \$7.8 million in the three months ended March 31, 2021 and \$14.1 million in the year ended December 31, 2020, after considering the receipt of proceeds from the sale of assets of \$12.2 million. As of March 31, 2021, the Company had cash balances available for operations of \$2.1 million.

From the end of the fourth quarter of 2019 through the third quarter of 2020, the Company issued 217.67 shares of 8.0% Series C Redeemable Preferred Stock (the “Redeemable Preferred Stock”) in private placement transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). The Redeemable Preferred Stock has a stated value of \$100,000 per share, or \$21.8 million, and was issued for an aggregate purchase price of \$13.9 million, from which the Company received net proceeds of \$13.1 million after deducting legal fees of \$0.8 million.

In April 2020, the Company executed a facility agreement with PCCW Global Limited (“PCCW”), under which the Company could draw up to \$0.7 million through four draws through September 30, 2020. Proceeds from the facility agreement were to be used to pay an implementation fee for a mobile virtual network (“MVNO”). See Note 12. *Commitments and Contingencies* for additional information about the MVNO. Through September 30, 2020, the Company made one draw for \$0.2 million under the facility agreement, bearing interest at 6.0%, with payments commencing in January 2021 and maturing in March 2021. As of March 31, 2021, no payments had been made and interest on the outstanding balance increased to 14.0%. In April 2021, the Company and PCCW executed a letter agreement under which the Company agreed to make monthly payments beginning in April 2021 with the final payment, including interest, due in November 2021.

In May 2020, the Company received two Paycheck Protection Program (“PPP”) loans aggregating to \$1.4 million. Pareteum received \$0.6 million (the “Pareteum PPP Loan”) and iPass received \$0.8 million (the “iPass PPP Loan” and together with the Pareteum PPP Loan, the “PPP Loans”) under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. In December 2020, the Company was notified that the Pareteum PPP Loan had been fully forgiven, and in June 2021, the Company was notified that the iPass PPP Loan had been fully forgiven.

On June 8, 2020, the Company issued a \$17.5 million Senior Secured Convertible Note (the “Senior Convertible Note”) for \$14.0 million, of which \$4.0 million was initially received and \$10.0 million was maintained in one or more blocked accounts. The terms of the Senior Convertible Note and related documents require the Company to meet certain specified conditions and covenants to release the proceeds in the blocked accounts. Through December 2020, \$4.0 million was released to the Company and in April 2021, the

remaining \$6.0 million was removed from the blocked accounts by the lender in partial satisfaction of the Senior Convertible Note. On December 1, 2020, December 23, 2020, February 1, 2021, and March 1, 2021, we entered into various agreements (the “Forbearance Agreements”), under which: (i) we admitted that we were in default of several obligations under the Senior Convertible Note and

related agreements, (ii) the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the aggregate amount outstanding under the Senior Convertible Note, until the earlier of March 31, 2021 and the date of any new event of default or initiation of any action by the Company to invalidate any of the representations and warranties made in the Forbearance Agreements. As a result of the defaults, the interest rate paid on the principal outstanding under the Senior Convertible Note increased to 18.0% per annum effective November 1, 2020.

On May 24, 2021, the Company entered into a new forbearance agreement (the “New Forbearance Agreement”) with the holder of the Senior Convertible Note under which (i) the Company again admitted it was in default of several obligations under the Senior Convertible Note and related agreements, and (ii) the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the aggregate amount outstanding under the Senior Convertible Note, until the earlier of May 31, 2021 or any later date to which such date may be extended (the “Outside Date”), and the date of any new event of default or initiation of any action by the Company to invalidate any of the representations and warranties made in the New Forbearance Agreement. The Outside Date automatically extends for successive two-week periods unless on or before the then-applicable Outside Date the lender provides notice that the Outside Date is not being extended.

As partial consideration for its agreement not to exercise any right or remedy under the Senior Convertible Note and related documents, the lender and the Company agreed to make certain changes to the Senior Convertible Note and related agreements. In this regard, the parties agreed to amend the “Event of Default Acceleration Amount” definition in the Senior Convertible Note so that the amount due and payable by the Company on account of an event of default would be an amount in cash equal to 125% of the then-outstanding principal and accrued and unpaid interest under the Senior Convertible Note. This represents an increase from 120% of the then-outstanding principal and accrued and unpaid interest, and removes the market-price-based alternative for such acceleration amount.

Additionally, the parties also agreed that the principal amount outstanding under the Senior Convertible Note would be increased by certain paid-in-kind amounts in full satisfaction of the Company’s obligation to make payments of interest to the lender on each of April 1, 2021 and May 1, 2021, which amounts were not paid by the Company in cash or common stock. In consideration of the lender’s agreement to enter into the New Forbearance Agreement and agree to the amendments to the Senior Convertible Note, the Company agreed to pay the lender a fee in the amount of \$1.5 million. Accordingly, following these increases in the principal amount payable, but applying against the outstanding principal and such fee the \$6.0 million previously maintained in certain blocked account that was foreclosed upon by the lender, the total amount of principal outstanding under the Senior Convertible Note as of the date of the New Forbearance Agreement was approximately \$13.5 million.

On August 16, 2021, the holder of the Senior Convertible Note provided notice to the Company that the Outside Date was not being extended, and accordingly, the holder’s agreement to forbear taking any actions with respect to the Company’s defaults terminated on August 23, 2021. See Note 13. *Subsequent Events* for additional information about the Senior Convertible Note and the termination of the High Trail forbearance agreement.

On February 22, 2021, the Company issued a \$2.4 million Senior Second Lien Secured Convertible Note due April 1, 2025 (the “Junior Convertible Note”) to an institutional investor for \$2.0 million.

On April 29, 2021, the Company entered into a securities purchase agreement, dated as of April 13, 2021, with two initial investors and other investors as may become party thereto from time to time (collectively, the “Junior Convertible Note Purchasers”) providing for the issuance and sale by the Company of up to \$6.0 million aggregate principal amount of Junior Convertible Notes and warrants to purchase up to 5,000,000 shares of its common stock. The Junior Convertible Notes and accompanying warrants may be sold from time to time to one or more Junior Convertible Note Purchasers under the terms of the purchase agreement. On April 29, 2021, the Company closed on the initial sale of Junior Convertible Notes in the aggregate principal amount of \$1.8 million and accompanying warrants to purchase 1,490,000 shares of common stock under the purchase agreement for an aggregate purchase price of \$1.5 million.

On June 19, 2021, the Company entered the Second Omnibus Agreement, dated as of June 18, 2021 (the “Omnibus Agreement”), with holders of the previously outstanding Junior Convertible Notes, and sold \$17.3 million aggregate principal of Junior Convertible Notes for \$5.0 million in cash and the surrender of 91.38 shares of Redeemable Preferred Stock. In connection with the sale of these Junior Convertible Notes, the Company issued a warrant for the purchase of 5,000,000 shares of its common stock at an exercise price of \$0.37 per share.

In light of our cash position and indebtedness, the Company believes that it will not have sufficient resources to fund its operations and meet the obligations under the Senior Convertible Note, the Junior Convertible Notes, and the Redeemable Preferred Stock, or to fund its operations for the next twelve months following the filing of this Quarterly Report on Form 10-Q (the “Report”). The Company’s software platforms require ongoing funding to continue the current development and operational plans and the Company has a history of net losses. The Company will continue to expend substantial resources for the foreseeable future in connection with the continued development of its software platforms. These expenditures will include costs associated with research and development activity, corporate administration, business development, and marketing and selling of the Company’s services. In addition, other unanticipated

costs may arise. The Company believes that additional capital will be required to fund its operations and provide growth capital to meet the obligations under the Senior Convertible Note, the Junior Convertible Notes, and the Redeemable Preferred Stock. Accordingly, the Company will have to raise additional capital in one or more debt and/or equity offerings and continue to work with

its lenders to cure the defaults, or otherwise seek other alternatives to addressing its liquidity and capital resources issues. However, there can be no assurance that the Company will be successful in raising the necessary capital or that any such offering will be available to the Company on terms acceptable to the Company, or at all. If the Company is unable to raise additional capital and with acceptable terms, this would have a material adverse effect on the Company. Furthermore, the recent decline in the market price of the Company's common stock, coupled with the stock's delisting from the Nasdaq Stock Market, could make it more difficult to sell equity or equity-related securities in the future at a time and price that the Company deems appropriate. The factors discussed above raise substantial doubt as to the Company's ability to continue as a going concern within one year after the date that these financial statements are issued.

Note 2. Financial Statement Presentation and Recent Accounting Updates

The accompanying unaudited condensed consolidated financial statements comprise the accounts of Pareteum and its wholly owned subsidiaries, and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments considered necessary for a fair presentation, have been included. All intercompany transactions and account balances have been eliminated in consolidation. The Company evaluates subsequent events through the date of filing this Report with the Securities and Exchange Commission ("SEC"). Operating results for the three months ended March 31, 2021 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2021. These interim period unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2020, which are included in the Company's 2020 Annual Report.

For a complete summary of our significant accounting policies, please refer to Note 1. *Business and Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements in Part I, Item 8 of our 2020 Annual Report.

Use of Estimates

The preparation of the accompanying condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and intangible assets acquired. Actual results may differ from these estimates under different assumptions or conditions and those differences could be material.

Reclassifications

Certain reclassifications have been made to the prior period condensed consolidated financial statements to conform to the current period presentation. Such reclassifications had no impact on net loss or net cash flows.

Accounting Standards Adopted in the Current Year

In December 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 is effective for the Company beginning in fiscal 2021. The adoption of ASU 2019-12 did not have a material impact on the Company's consolidated financial statements.

Recent Accounting Standards Updates Issued - Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which requires measurement and recognition of expected versus incurred credit losses for financial assets held. ASU 2016-13 is effective for the Company's annual and interim reporting periods beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact of ASU 2016-13 on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provides optional guidance for a limited period of time to ease the burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This would apply to companies meeting certain criteria that have contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022 and may be applied to contract modifications made and hedging relationships entered into from the beginning of an interim

period that includes or is subsequent to March 12, 2020. The Company does not believe the adoption of ASU 2020-04 will have a material impact on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), which simplifies the accounting for convertible instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. Upon adoption, a convertible debt instrument will be accounted for as a single liability at amortized cost unless (a) the convertible instrument contains features that require bifurcation as a derivative under ASC 815, *Derivatives and Hedging* (“ASC 815”), or (b) the convertible debt instrument was issued at a substantial premium. These changes will reduce reported interest expense and increase reported net income for entities that have issued a convertible instrument that was bifurcated according to previously existing rules. ASU 2020-06 also requires the application of the if-converted method for calculating diluted earnings per share and the treasury stock method will be no longer available. ASU 2020-06 is effective for public entities excluding smaller reporting companies in fiscal years beginning after December 15, 2021, with early adoption permitted no earlier than fiscal years beginning after December 15, 2020. For public business entities that meet the definition of a smaller reporting company, the amendments in ASU 2020-06 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The Company meets the definition of a smaller reporting company and is currently evaluating the impact of adoption of ASU 2020-06 on its consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modification or Exchanges of Freestanding Equity-Classified Written Call Options* (“ASU 2021-04”), which clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options due to a lack of explicit guidance in the FASB Codification. ASU 2021-04 provides guidance on modifications or exchanges of freestanding equity-classified written call options that are not within the scope of another Topic. Entities should treat a modification of the terms or conditions, or an exchange of a freestanding equity-classified written call option that remains equity-classified after modification or exchange, as an exchange of the original instrument for a new instrument. ASU 2021-04 provides further guidance on measuring the effect of such modifications or exchanges, and also provides guidance on the recognition of such modifications or exchanges on the basis of the substance of the transaction, in the same manner as if cash had been paid as consideration. Management is evaluating the effect of the adoption of ASU 2021-04 on the consolidated financial statements. ASU 2021-04 is effective for all entities for fiscal years beginning after December 15, 2021, and early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2021-04 on its consolidated financial statements.

Note 3. Balance Sheet Information

The information that follows provides details about certain amounts reported in our unaudited condensed consolidated balance sheets as of March 31, 2021 and December 31, 2020.

Note Receivable, Net

The following table presents details of the note receivable, net as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
ValidSoft	\$ 516	\$ 519
Reserve	(216)	(219)
Note receivable, net	<u>\$ 300</u>	<u>\$ 300</u>

The ValidSoft note bears interest at 5.0% and, pursuant to an amendment dated June 2020, matured March 31, 2021. On April 6, 2021, the Company entered into an agreement with ValidSoft wherein the Company agreed to accept \$0.3 million as payment in full. Consequently, the ValidSoft note receivable was written down to that amount as of December 31, 2020. The Company collected the entire \$0.3 million in April 2021.

Prepaid Expenses and Other Current Assets

The following table provides details of the amounts comprising prepaid expenses and other current assets as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
Prepaid insurance and legal fees	\$ 392	\$ 536
Prepaid software license and support	526	471
Prepaid corporate taxes	85	196
Prepaid expenses-other	406	1,337
Valued added tax	798	738
Other receivables	2	64
Other assets	234	330
Prepaid expenses and other current assets	<u>\$ 2,443</u>	<u>\$ 3,672</u>

Property, Equipment, and Software Development, Net

The following table provides details of the amounts comprising property, equipment, and software development, net as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
Furniture and fixtures	\$ 178	\$ 186
Computer, communications, and network equipment	8,983	9,347
Software	4,028	4,207
Automobiles	13	14
Leasehold improvements	25	25
Software development	14,589	14,293
Property, equipment, and software development, at cost	27,816	28,072
Accumulated depreciation and amortization	(23,677)	(22,982)
Property, equipment, and software development, net	<u>\$ 4,139</u>	<u>\$ 5,090</u>

For the three months ended March 31, 2021 and 2020 expenditures for property, equipment, and software development were \$0.9 million and \$1.9 million, respectively; and depreciation and amortization recognized on property, equipment, and software development was \$1.7 million and \$1.9 million, respectively.

Intangible Assets, Net

The following tables provide information about intangible assets, net as of March 31, 2021 and December 31, 2020:

(In thousands)	As of March 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Foreign Currency Translation Adjustments	Intangible Assets, Net
Developed technology	\$ 26,829	\$ (6,049)	\$ (14,651)	\$ (572)	\$ 5,557
Consumer relationships	25,300	(4,369)	(14,434)	(483)	6,014
Trade names	3,544	(1,097)	(1,757)	(74)	616
Intangible assets, net	<u>\$ 55,673</u>	<u>\$ (11,515)</u>	<u>\$ (30,842)</u>	<u>\$ (1,129)</u>	<u>\$ 12,187</u>

As of December 31, 2020

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Foreign Currency Translation Adjustments	Intangible Assets, Net
Developed technology	\$ 26,829	\$ (5,792)	\$ (14,651)	\$ (520)	\$ 5,866
Consumer relationships	25,300	(3,972)	(14,434)	(454)	6,440
Trade names	3,544	(1,050)	(1,757)	(45)	692
Intangible assets, net	<u>\$ 55,673</u>	<u>\$ (10,814)</u>	<u>\$ (30,842)</u>	<u>\$ (1,019)</u>	<u>\$ 12,998</u>

Amortization of intangible assets in the three months ended March 31, 2021 and 2020 was \$0.7 million and \$0.7 million, respectively.

The following table provides the estimated future amortization expense related to intangible assets held as of March 31, 2021:

(In thousands)	
2021 (excluding the three months ended March 31, 2021)	\$ 1,954
2022	2,715
2023	2,715
2024	2,715
2025	2,088
Total	<u>\$ 12,187</u>

Goodwill

The following table provides information about the carrying value of goodwill as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
Balance, beginning of period	\$ 11,043	\$ 10,099
Foreign currency translation adjustments	(483)	944
Balance, end of period	<u>\$ 10,560</u>	<u>\$ 11,043</u>

Other Assets

The following table provides details of the amounts comprising other assets as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
Deposits	\$ 384	\$ 382
Income taxes receivable	128	128
Deferred tax assets	96	96
Other	116	143
Other assets	<u>\$ 724</u>	<u>\$ 749</u>

Accrued Expenses and Other Payables

The following table provides details of the amounts comprising accrued expenses and other payables as of March 31, 2021 and December 31, 2020:

(In thousands)	March 31, 2021	December 31, 2020
Accrued selling, general and administrative expenses	\$ 2,221	\$ 4,246
Accrued salary and bonus	2,919	646
Accrued employee benefits	727	754
Accrued cost of service	1,187	1,566
Accrued taxes (including VAT)	3,685	4,193
Accrued interest payable	347	328
Accrued customer credit	879	77
Other accrued expenses	2,832	1,234
Accrued expenses and other payables	<u>\$ 14,797</u>	<u>\$ 13,044</u>

Note 4. Lease Commitments

The Company leases property, equipment and automobiles under operating leases with varying expiration dates between 2021 and 2025. The Company also leases equipment under a finance lease which expires in 2022. The Company determines if an arrangement is a lease at inception. The Company presents operating leases in right-of-use assets and lease liabilities, while finance leases are presented in property, equipment, and software development, net, and lease liabilities in the condensed consolidated balance sheets.

The following table presents information related to leases as of March 31, 2021 and December 31, 2020:

(In thousands)		March 31, 2021	December 31, 2020
Assets:			
Operating leases	Right-of-use assets, net ⁽¹⁾	\$ 754	\$ 1,044
Finance leases	Property, equipment, and software development, net ⁽²⁾	97	104
Total leased assets		<u>\$ 851</u>	<u>\$ 1,148</u>
Liabilities:			
Current:			
Operating leases	Current portion of lease liabilities	\$ 263	\$ 474
Finance leases	Current portion of lease liabilities	49	50
Current portion of lease liabilities		<u>312</u>	<u>524</u>
Noncurrent:			
Operating leases	Lease liabilities, net of current portion	491	567
Finance leases	Lease liabilities, net of current portion	21	34
Lease liabilities, net of current portion		<u>512</u>	<u>601</u>
Total lease liabilities		<u>\$ 824</u>	<u>\$ 1,125</u>
Weighted average remaining lease term (in years):			
Operating leases		3.4	2.9
Finance leases		1.4	1.7
Weighted average discount rate:			
Operating leases		4.57 %	5.59 %
Finance leases		5.00 %	5.00 %

⁽¹⁾ Right-of-use assets are recorded net of accumulated amortization of \$0.8 million and \$1.6 million as of March 31, 2021 and December 31, 2020, respectively.

⁽²⁾ Finance lease assets are recorded net of accumulated depreciation of \$45 thousand and \$38 thousand as of March 31, 2021 and December 31, 2020, respectively.

The following table presents maturities of lease liabilities as of March 31, 2021:

(In thousands)	Operating Leases	Finance Leases
2021 (excluding the three months ended March 31, 2021)	\$ 250	\$ 38
2022	244	34
2023	219	—
2024	138	—
2025	25	—
Total lease payments	876	72
Imputed interest	(122)	(2)
Total lease liabilities	754	70
Current portion of lease liabilities	263	49
Lease liabilities, net of current portion	\$ 491	\$ 21

Note 5. Debt*Senior Convertible Note*

On June 8, 2020, the Company issued a \$17.5 million Senior Convertible Note due April 1, 2025 to High Trail Investments SA LLC (“High Trail”) for a purchase price of \$14.0 million (the “Proceeds”). The Company received \$4.0 million of the Proceeds for working capital and the remaining \$10.0 million was deposited into a blocked bank account based on the terms of a Control Agreement, and incurred approximately \$0.5 million of legal fees. Under the terms of the Control Agreement, the Company was to access the funds from the blocked account as follows:

- \$3.0 million when the Company received \$4.0 million in additional financing. The Company received the additional financing in July 2020 and the \$3.0 million was released to the Company to be used for working capital purposes.
- On or prior to October 31, 2020, \$7.0 million when the Company met certain specified conditions as of any date and on each of the 20 previous trading days prior to such date as defined in the Senior Convertible Note; and
 - The Company can issue shares of its common stock upon conversion that are not subject to restrictions on resale;
 - Upon conversion, High Trail will not beneficially own in excess of 4.99% of the Company’s outstanding common stock;
 - At all times, the Company will have sufficient authorized and unissued shares of its common stock available for the issuance of common stock upon conversion of the outstanding principal amount of the Senior Convertible Note plus accrued interest;
 - The daily dollar trading volume of the Company’s common stock for at least 17 of the prior 20 trading days is not less than \$0.8 million (as reported on Bloomberg);
 - The Company has obtained the requisite stockholder approval required by the Nasdaq Capital Market for the issuance of the shares of its common stock upon conversion;
 - The average daily volume-weighted average price per share of the Company’s common stock is not less than \$0.85; and
 - There are no defaults or events of default that have occurred or are continuing.

The Senior Convertible Note contains customary events of default, as well as events of default if the Company fails to use reasonable efforts to obtain the approval of its stockholders for the issuance of the shares issuable upon conversion by October 31, 2020, the Company’s common stock ceases to be traded on the Nasdaq Capital Market, or the Company fails to restate its financial statements for the year ended December 31, 2018 and the quarters ended March 31, 2019 and June 30, 2019, in each case, prior to October 31, 2020 or fails to timely file its subsequent quarterly reports on Form 10-Q or its subsequent annual reports on Form 10-K with the SEC in the manner and within the time periods required by the Securities Exchange Act of 1934, as amended (the “Exchange Act”). As a result of, among other things, the Company’s common stock no longer being traded on the Nasdaq Stock Market, the Company failing to restate its financial statements for the year ended December 31, 2018 and the quarters ended March 31, 2019 and June 30, 2019, in each case, prior to October 31, 2020, and its failure to timely file its subsequent quarterly reports on Form 10-Q or its subsequent annual reports on Form 10-K with the SEC in the manner and within the time periods required by the Exchange Act, the Company is currently in default.

The Senior Convertible Note is convertible into shares of the Company’s common stock, including any portion constituting an optional redemption payment amount, at High Trail’s election. The conversion rate is equal to 1,666.667 shares of the Company’s common stock for every \$1,000 of Senior Convertible Note principal, or \$0.60 per share.

The Senior Convertible Note is secured by a first lien on substantially all of the assets of the Company and substantially all of the assets of its material domestic subsidiaries and the assets of Pareteum Europe BV, a subsidiary organized in the Netherlands. In addition, the Senior Convertible Note contains customary affirmative and negative covenants, including restrictions on indebtedness,

equity securities, liens, dividends, distributions, acquisitions, investments, sale or transfer of assets, transactions with affiliates and maintenance of certain financial ratios.

The Senior Convertible Note contains embedded features that are required to be bifurcated and recorded at fair value under ASC 815. These embedded features include conversion features that allow for a change in the conversion rate in connection with certain equity issuances, payments based on a fundamental change feature, and payments based on certain events of defaults. Additionally, in connection with issuance of the Senior Convertible Note, the Company granted High Trail a warrant to purchase 15,000,000 shares of its common stock at an exercise price of \$0.58 per share (since reduced to \$0.37 per share). The warrant is not indexed to the Company's own stock and is classified as a liability in the Company's unaudited condensed consolidated balance sheets in accordance with ASC 815. The estimated fair values of the embedded derivatives and the warrant liability on June 8, 2020, the Senior Convertible Note issuance date, were \$0.8 million and \$7.3 million, respectively. These amounts were recorded as debt discounts in the unaudited condensed consolidated balance sheet as a direct deduction from the face amount of the Senior Convertible Note, and are being amortized using the straight-line method, which approximates the effective interest method, through April 1, 2025. The amortization of the initial fair value of the embedded derivatives and warrant liability are recorded to interest expense.

On August 16, 2021, High Trail provided notice to the Company that the Outside Date was not being extended, and accordingly, High Trail's agreement to forbear taking any actions with respect to the Company's defaults terminated on August 23, 2021. See Note 13. *Subsequent Events* for additional information about the Senior Convertible Note and the termination of the forbearance agreement.

See Note 7. *Warrant and Derivative Liabilities* for additional information about the Senior Convertible Note warrant and embedded derivatives.

As of March 31, 2021 and December 31, 2020, the net carrying value of the Senior Convertible Note was as follows:

(In thousands)	March 31, 2021	December 31, 2020
Principal	\$ 17,500	\$ 17,500
Unamortized debt discount and debt issuance costs	(3,297)	(3,584)
Unamortized High Trail warrant	(6,030)	(6,552)
Unamortized embedded derivatives	(652)	(709)
Senior Convertible Note, net	<u>\$ 7,521</u>	<u>\$ 6,655</u>

The following table presents the components of noncash interest expense relating to the Senior Convertible Note for the three months ended March 31, 2021:

(In thousands)	Three Months Ended March 31, 2021
Amortization of debt discount and debt issuance costs	\$ 287
Amortization of the High Trail warrant	522
Amortization of the embedded derivatives	57
Noncash interest expense, Senior Convertible Note	<u>\$ 866</u>

Junior Convertible Note

On February 22, 2021, the Company issued the \$2.4 million Junior Convertible Note due April 1, 2025 for \$2.0 million to B.M.F De Kroes-Brinkers ("BMF"). The Junior Convertible Note is a senior, secured obligation of the Company, but ranks junior to the Senior Convertible Note. Interest is payable monthly beginning April 1, 2021 at a rate of 8.0% per annum. The Junior Convertible Note is secured by a second lien on substantially all of the Company's assets and substantially all of the assets of its material domestic subsidiaries. Interest may be paid, at the election of the Company, in cash or in shares of common stock of the Company; provided, that, so long as the Senior Convertible Note remains outstanding, such payments may only be made in shares. The number of shares of common stock to be issued to pay interest in shares of the Company's common stock is determined by the application of a formula in which the amount of the interest due is divided by 85% of the lowest volume weighted-average price of the Company's common stock on the principal market for the Company's common stock over the 10 days preceding the date of such payment.

Subject to an intercreditor agreement with the holder of the Senior Convertible Note, the Company may elect to redeem all or a portion of the then-outstanding principal amount outstanding under the Junior Convertible Note. The holder of such Junior Convertible Note or the Company may also elect for the Company to redeem the Junior Convertible Note at a 20% premium if the Company undergoes a fundamental change. The Junior Convertible Note is convertible into the Company's common stock, in part or in whole, from time to time, at the election of the Purchaser. The conversion rate is equal to 1,666.667 shares of the Company's common stock for each \$1,000 of principal amount of the Junior Convertible Note, or \$0.60 per share. The conversion rate is subject to customary anti-dilution adjustments in the event the Company issues stock dividends or effects a split or reverse split of the Company's common stock.

In connection with issuance of the Junior Convertible Note, certain Series B warrants previously issued to BMF for the purchase of up to 258,523 shares of common stock at an exercise price of \$1.84 per share were cancelled; such warrants had been issued on September

exercise price of \$0.40 per share expiring on February 22, 2026. The warrants are exercisable any time after February 22, 2021. The warrant is indexed to the Company's own stock and is classified as equity in the Company's unaudited condensed consolidated balance sheets in accordance with ASC 815. Under ASC 470-20, *Debt—Debt with Conversion and other Options* ("ASC 470-20"), when debt is issued with equity-classified warrants, the proceeds from the issuance of the debt instrument are allocated to the warrants and the debt instrument based on their relative estimated fair values. The estimated fair value of the warrant is recorded as a discount to the debt instrument with a corresponding increase to additional paid-in capital. The Company estimated the fair value of the BMF warrant using the Black-Scholes option pricing model using the following assumptions: common stock price of \$0.55; expected volatility of 130%, a risk-free rate of 0.61%, remaining contractual term of 5 years; and an expected dividend yield of 0%. As a result, the Company recorded a debt discount of \$0.9 million and a corresponding increase to common stock and additional paid-in capital.

The Junior Convertible Note contains a beneficial conversion feature and under ASC 470-20, if the amount allocated to a convertible debt instrument results in an effective per share conversion price that is less than the fair value of a company's common stock on the commitment date, the intrinsic value of the beneficial conversion feature is recorded as a discount to the convertible debt with a corresponding increase to additional paid-in capital. The beneficial conversion discount is equal to the difference between the effective conversion price and the fair value of the Company's common stock at the commitment date, limited to the amount of the proceeds allocated to the Junior Convertible Note. Upon issuance, the effective conversion price of the Junior Convertible Note was determined to be less than the fair value of the Company's common stock. As a result, the Company initially recorded a debt discount related to the beneficial conversion feature of \$1.1 million with a corresponding increase to common stock and additional paid-in capital.

Additionally, the Junior Convertible Note contains embedded features that are required to be bifurcated and recorded at fair value under ASC 815. These embedded features include payments based on a fundamental change feature and payments based on certain events of defaults. The aggregate estimated fair values of the embedded derivatives on February 22, 2021, the Junior Convertible Note issuance date, was \$0.2 million, and was recorded a debt discount in the unaudited condensed consolidated balance sheet as a direct deduction from the face amount of the Junior Convertible Note, and is being amortized using the straight-line method, which approximates the effective interest method, through April 1, 2025. The amortization of the initial fair value of the embedded derivatives is recorded to interest expense.

The Company incurred \$0.2 million of issuance costs, which were allocated on the basis of the relative fair values of the warrant and the Junior Convertible Note in accordance with the guidance in ASC 470-20. As a result, the Company initially allocated \$0.1 million to the Junior Convertible Note, and \$0.1 million to the BMF warrant. The amount allocated to the BMF warrant was recorded as a reduction to common stock and additional paid-in capital.

On the issuance date, the Company initially recorded a debt discount for the original issue discount of \$0.4 million; and the estimated fair values of the compound derivative liability of \$0.2 million, the BMF warrant of \$0.9 million, the beneficial conversion feature of \$1.1 million, and debt issuance costs of \$0.1 million. As a result, the initial debt discount exceeded the principal balance of the Junior Convertible Note by \$0.3 million. The Company wrote off the \$0.1 million debt issuance costs as interest expense, and reduced the beneficial conversion feature by \$0.2 million with a corresponding decrease in common stock and additional paid-in capital. The \$2.4 million debt discount is being amortized using the straight-line method, which approximates the effective interest method, through April 25, 2025.

As of the issuance date and March 31, 2021, the net carrying value of the Junior Convertible Note was as follows:

(In thousands)	Issuance Date	March 31, 2021
Principal	\$ 2,400	\$ 2,400
Unamortized debt discount and debt issuance costs	(400)	(391)
Unamortized BMF warrant	(859)	(840)
Unamortized conversion feature	(923)	(902)
Unamortized embedded derivatives	(218)	(213)
Junior Convertible Note, net	<u>\$ —</u>	<u>\$ 54</u>

The following table presents the components of noncash interest expense relating to the Junior Convertible Note for the three months ended March 31, 2021:

	Three Months Ended March 31, 2021
(In thousands)	
Amortization of debt discount and debt issuance costs	\$ 9
Write-off of debt issuance costs	97
Amortization of the BMF warrant	19
Amortization of conversion feature	21
Amortization of the embedded derivatives	5
Noncash interest expense, Junior Convertible Note	<u>\$ 151</u>

See Note 13. *Subsequent Events* for additional information about the Junior Convertible Note.

Term Loan

In April 2020, the Company executed a facility agreement with PCCW, under which the Company could draw up to \$0.7 million through four draws through September 30, 2020. Proceeds from the facility agreement were to be used to pay an implementation fee for a MVNO. Through September 30, 2020, the Company made one draw for \$0.2 million under the facility agreement, bearing interest at 6.0%, with payments commencing in January 2021 and maturing in March 2021. As of March 31, 2021, no payments had been made and interest on the outstanding balance increased to 14.0%. In April 2021, the Company and PCCW executed a letter agreement under which the Company agreed to make monthly payments beginning in April 2021 with the final payment, including interest, due in November 2021. See Note 12. *Commitments and Contingencies* for additional information about the MVNO.

Promissory Notes

The promissory notes are comprised of six bank notes secured by Artilium with varying original terms ranging between 12 and 36 months with an average interest rate of 2.19%, and are not convertible. As of March 31, 2021 and December 31, 2020, the outstanding balance on the promissory notes was \$0.7 million and \$0.9 million, respectively, with contractual maturities due within the next twelve months of \$0.5 million and \$0.6 million, respectively.

Related Party Loan

The Company has a loan payable to Comsystems, a company owned by Gerard Derenbos. Prior to the Artilium acquisition, Mr. Derenbos held approximately 15.0% of the total outstanding common shares of Artilium, and was an Artilium board member. All principal and interest was due and payable on June 30, 2020, the original maturity date, however, the Company requested, and was granted, an extension with equal principal payments due monthly beginning July 2020 with the final payment due in December 2021. The loan bears interest at 8.0%, and as of March 31, 2021 and December 31, 2020, the outstanding balance was \$0.3 and \$0.3, respectively.

Paycheck Protection Plan Loan

On May 8, 2020, iPass received an \$0.8 million PPP loan under the CARES Act, which is administered by the U.S. Small Business Administration, matures two years from the funding date, and bears interest at 1.0%. As of March 31, 2021, an immaterial amount of accrued interest on the iPass PPP Loan is recorded in the unaudited condensed consolidated balance sheets.

Pursuant to the terms of the CARES Act, the Company applied for and received forgiveness of the iPass PPP Loan. See Note 13. *Subsequent Events* for additional information about the iPass PPP Loan.

Note 6. Redeemable Preferred Stock

From December 24, 2019 to August 18, 2020, the Company issued 217.67 shares of Redeemable Preferred Stock. By their terms, shares of Redeemable Preferred Stock were not convertible into or exchangeable for other securities of the Company. However, on various dates from July 17, 2020 through October 18, 2020, the Company entered into Exchange Agreements with all of the holders of Redeemable Preferred Stock (collectively, the “Exchange Agreements”) that modified certain terms of the Redeemable Preferred Stock as described below.

Under the terms of the Exchange Agreements, the mandatory redemption date was extended and an exchange feature was added. Under the terms of the exchange feature, the Redeemable Preferred Stock is exchangeable for shares of the Company’s common stock at either the option of the holder or the Company at any time prior to December 24, 2021, subject to the satisfaction of the following closing conditions:

- the Company obtaining Nasdaq Capital Market approval for the issuance of the shares upon the exchange,
- approval of the Company’s stockholders for the issuance of such common stock, and
- the Company’s ability to issue shares of common stock not subject to restrictions on resale.

The foregoing conditions can be waived by the Company and the holder. Certain other conditions to the exchange relating to the Company's common stock trading at a certain minimum price can only be waived by the holder, however, if the closing conditions are

not met or waived by December 24, 2021, the Redeemable Preferred Stock is mandatorily redeemable in cash on December 25, 2021 at the stated value together with the 8% dividend and a 12.5% redemption premium.

The number of shares of the Company's common stock issuable to the holders upon exchange of the Redeemable Preferred Stock is determined by the application of a formula in which (i) the stated value of the shares of Redeemable Preferred Stock being exchanged plus the value of any accrued and unpaid dividends plus, with respect to certain agreed-upon shares of the Redeemable Preferred Stock, a premium of 12.5% on the stated value, is divided by (ii) the "conversion price." The conversion price for one holder that owns 62.0 shares of the Redeemable Preferred Stock is the lower of (i) \$0.60 and (ii) the greater of (x) the average daily volume-weighted average price per share of common stock during the five trading days before the closing of the conversion or (y) \$0.40. For the remaining holders the conversion price is \$0.70.

As a result of modifying certain terms of the Redeemable Preferred Stock, which was classified as a liability prior to the execution of the Exchange Agreements, the Company accounted for the modification as an extinguishment because the exchange feature is substantive under the guidance provided by ASC 470-50, *Debt—Modifications and Extinguishments*. As a result of modifying the terms of the Redeemable Preferred Stock in connection with the Exchange Agreements, the Company determined that such Redeemable Preferred Stock should be presented as temporary equity in accordance with ASC 480-10-S99, *Distinguishing Liabilities from Equity—Overall—SEC Materials*.

Based on the terms of the Exchange Agreements, if the associated shares of Redeemable Preferred Stock are not convertible into shares of common stock upon satisfaction or waiver of the various closing conditions by December 24, 2021, such shares of Redeemable Preferred Stock are then mandatorily redeemable for cash on December 25, 2021 in an amount equal to the stated value plus all accrued dividends and a redemption premium of 12.5%. Accordingly, as of the execution dates of the Exchange Agreements, the Company reclassified the Redeemable Preferred Stock from a liability to temporary equity outside of permanent equity in its unaudited condensed consolidated balance sheets. The Company will continue to accrue the 8% dividends and accrete the 12.5% redemption amount through December 25, 2021. From the execution dates of the Exchange Agreements through March 31, 2021, the Company has recorded the accrued 8% dividends and the accretion of the 12.5% redemption amount, totaling \$1.5 million, to common stock and additional paid-in capital.

The components of Redeemable Preferred Stock as of March 31, 2021 and December 31, 2020 consisted of the following:

(In thousands)	March 31, 2021	December 31, 2020
Stated value	\$ 21,767	\$ 21,767
Accretion of redemption premium	1,923	1,705
Accrued dividends	1,851	1,427
Redeemable Preferred Stock	<u>\$ 25,541</u>	<u>\$ 24,899</u>

Note 7. Warrant and Derivative Liabilities

Warrant Liabilities

In connection with the issuance of the Senior Convertible Note, the Company granted High Trail a warrant to purchase 15,000,000 shares of its common stock at an exercise price of \$0.58 per share (since reduced to \$0.37 per share) expiring on June 8, 2025. The warrant is not indexed to the Company's own stock and is classified as a liability and is subsequently measured at fair value with the changes in fair value recognized in nonoperating expenses (income), net in the Company's unaudited condensed consolidated statements of operations and comprehensive loss in accordance with ASC 815.

The fair value of the warrant at June 8, 2020, the issuance date of the warrant, and as of each subsequent reporting date were estimated using the Black-Scholes option pricing model using the assumptions described below. At each date, the Company's stock price and the exercise price of the warrant, the expected volatility based on the Company's historical volatility over the remaining contractual term of the warrant and the risk-free interest rate, which was based on the U.S. Treasury yield curve over the remaining contractual term of the warrant. The estimated fair values are a Level 3 measurement as defined by ASC 820, *Fair Value Measurement* ("ASC 820"), as they are based on significant inputs not observable in the market.

The following table provides the assumptions used in the Black-Scholes option pricing model used to determine the estimated fair value of the warrant liability for the periods presented:

	March 31, 2021	December 31, 2020
Common stock price	\$ 0.46	\$ 0.59
Expected volatility	133.72 %	134.68 %
Risk-free rate	0.64 %	0.36 %
Remaining contractual term (years)	4.19	4.44
Expected dividend yield	0.00 %	0.00 %

For the three months ended March 31, 2021, the estimated fair value of the warrant liability decreased to \$5.9 million from \$7.8 million as of December 31, 2020, and the associated \$1.9 million of other income is included in nonoperating expenses (income), net in the unaudited condensed consolidated statements of operations and comprehensive loss.

Derivative Liabilities

Senior Convertible Note

The Senior Convertible Note contains embedded features that are required to be bifurcated and recorded at fair value and then remeasured separately at each subsequent reporting date with the changes in fair value recognized in nonoperating expenses (income), net in the Company's unaudited condensed consolidated statements of operations and comprehensive loss in accordance with ASC 815. These embedded features include conversion features that allow for a change in the conversion rate in connection with certain equity issuances, payments based on a fundamental change feature, and payments based on certain events of defaults.

The Company estimates the fair values of the embedded derivatives using a Monte Carlo simulation, which utilizes inputs including the Company's common stock price, probability assumptions, its historical volatility, risk-free rate, and time to maturity. The estimated fair values are a Level 3 measurement as defined by ASC 820 as they are based on significant inputs not observable in the market.

For the three months ended March 31, 2021, the estimated fair value of the Senior Convertible Note derivative liability increased from \$1.1 million as of December 31, 2020 to \$1.5 million as of March 31, 2021, and the associated \$0.5 million of expense is included in nonoperating expenses (income), net in the unaudited condensed consolidated statements of operations and comprehensive loss.

Junior Convertible Note

The Junior Convertible Note issued in February 2021 contains embedded features that are required to be bifurcated and recorded at fair value and then remeasured separately at each subsequent reporting date with the changes in fair value recognized in nonoperating expenses (income), net in the Company's unaudited condensed consolidated statements of operations and comprehensive loss in accordance with ASC 815. These embedded features include conversion features that allow for a change in the conversion rate in connection with certain equity issuances, payments based on a fundamental change feature, and payments based on certain events of defaults.

The Company estimates the fair values of the embedded derivatives using a Monte Carlo simulation, which utilizes inputs including the Company's common stock price, probability assumptions, its historical volatility, risk-free rate, and time to maturity. The estimated fair values are a Level 3 measurement as defined by ASC 820 as they are based on significant inputs not observable in the market.

For the three months ended March 31, 2021, the estimated fair value of the Junior Convertible Note derivative liability decreased \$18 thousand from the issuance date.

Redeemable Preferred Stock

Based on the terms of the Exchange Agreements, the Redeemable Preferred Stock is a hybrid instrument that contains embedded conversion features, which meet the definition of a derivative. As a result, the embedded conversion features were bifurcated upon issuance as an embedded derivative and recorded at fair value and then remeasured separately at each subsequent reporting date with the changes in fair value recognized in nonoperating expenses (income), net in the Company's unaudited condensed consolidated statements of operations and comprehensive loss in accordance with ASC 815.

The Company estimated the fair value of the embedded conversion features at the execution dates of the Exchange Agreements to be \$12.9 million using a Monte Carlo Simulation, which utilizes inputs including the Company's common stock price, probability assumptions of the closing conditions being met or waived by both the Company and the holder, its historical volatility and risk-free rate and time to maturity. The estimated fair values are a Level 3 measurement as defined by ASC 820 as it is based on significant inputs not observable in the market.

For the three months ended March 31, 2021, the estimated fair value of the Redeemable Preferred Stock derivative liability decreased from \$5.1 million as of December 31, 2020 to \$1.9 million as of March 31, 2021, and the associated \$3.2 million of income is included in nonoperating expenses (income), net in the unaudited condensed consolidated statements of operations and comprehensive loss.

The following table provides details of the activity related to the derivative liabilities for the three months ended March 31, 2021:

	Senior Convertible Note	Junior Convertible Notes	Redeemable Preferred Stock	Total
(In thousands)				
Balance, December 31, 2020	\$ 1,053	\$ —	\$ 5,110	\$ 6,163
Issuance date fair value	—	218	—	218
Change in fair value	487	(18)	(3,249)	(2,780)
Balance, March 31, 2021	\$ 1,540	\$ 200	\$ 1,861	\$ 3,601

See Note 5. *Debt* and Note 6. *Redeemable Preferred Stock* for additional information about the Senior Convertible Note, the Junior Convertible Note, and the Redeemable Preferred Stock.

Note 8. Stockholders' Deficit

Preferred Stock

The Company is authorized to issue up to 49,995,966 shares of preferred stock. As of March 31, 2021 and December 31, 2020, there were 217.67 shares issued and outstanding. All of the outstanding shares of preferred stock as of March 31, 2021 and December 31, 2020 were Redeemable Preferred Stock and are classified as temporary equity. See Note 6. *Redeemable Preferred Stock* and Note 13. *Subsequent Events* for additional information about the Redeemable Preferred Stock.

Common Stock

The Company is authorized to issue up to 500,000,000 shares of common stock. As of March 31, 2021 and December 31, 2020, the issued and outstanding shares were 142,206,226 and 140,268,725, respectively.

The following table presents common stock activity for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
Common stock outstanding, beginning of period	140,268,725	139,060,180
Shares issued for interest on Senior Convertible Note	1,864,584	—
Vesting of restricted and common stock awards	72,917	1,217,015
Common stock outstanding, end of period	<u>142,206,226</u>	<u>140,277,195</u>

Warrants

The Company has issued warrants with varying terms and conditions related to multiple financing rounds, acquisitions and other transactions. The following table summarizes warrant activity for the three months ended March 31, 2021 and the year ended December 31, 2020:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Warrants outstanding, beginning of period	54,298,850	38,111,211
Issued	2,775,000	17,000,000
Expired	(1,104,540)	(812,361)
Warrants outstanding, end of period	<u>55,969,310</u>	<u>54,298,850</u>

As of March 31, 2021 and December 31, 2020, warrants for the purchase of 40,969,310 and 39,298,850 shares of common stock, respectively, have been recorded and classified as equity. As of March 31, 2021, exercise prices for the outstanding warrants range from \$0.37 to \$5.38; the weighted average exercise price for the outstanding warrants is \$1.504; and the outstanding warrants expire from 2021 to 2026.

Note 9. Income Taxes

The following table presents details of income tax benefit for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Income tax benefit	\$ (48)	\$ (97)

Our effective tax rates were 0.7% and 1.0% for the three months ended March 31, 2021 and 2020, respectively. Our effective tax rates were lower than the U.S. federal statutory rate primarily due to earnings in foreign jurisdictions.

The Company had no uncertain tax positions as of March 31, 2021 and December 31, 2020.

Note 10. Supplemental Cash Flow Information

The following table provides supplemental cash flow information for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash received during the period for interest	\$ 7	\$ 7
Cash paid during the period for interest	53	1
Cash paid during the period for income taxes	7	13
Operating cash outflows from operating leases	78	176
Operating cash outflows from finance leases (interest)	3	1
Financing cash outflows from finance leases	13	13
NONCASH FINANCING ACTIVITIES:		
Right-of-use lease assets and financing	—	45
Warrants issued for settlement agreement	—	653
Shares issued for payment of interest	788	—

Note 11. Segment and Geographic Information

Segment Information

Segment information is prepared on the same basis that our chief operating decision-makers (“CODMs”), who are our interim chief executive officer and interim chief financial officer, evaluate financial results, make key operating decisions, and for which discrete financial information is available. As of March 31, 2021, the Company has aggregated its three operating segments, which have similar economic characteristics and all provide their customers with communication connectivity services achieved through sales and marketing channels across all three operating segments through their CPaaS, into one reportable segment—Communication Connectivity Services. The measure of profitability our CODMs use to evaluate financial results for our reportable segment is operating income (loss).

The following table presents disaggregated revenue from external customers derived from Communication Connectivity Services for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Monthly service	\$ 15,334	\$ 19,919
Installation and software development	132	136
Total revenue	\$ 15,466	\$ 20,055

Geographic Information

The following table provides information about our consolidated revenue for the three ended March 31, 2021 and 2020, based on customer location:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
International	\$ 10,382	\$ 11,277
United States	5,084	8,778
Total revenue	\$ 15,466	\$ 20,055

Note 12. Commitments and Contingencies

Commitments

The Company has entered into certain off-balance sheet commitments that require the future purchase of goods or services (“unconditional purchase obligations”). The Company entered into the Strategic Connectivity Agreement (the “Connectivity Agreement”) with Hutchison 3G UK Limited (“3UK”) on July 23, 2019. Under the Connectivity Agreement, the Company is obligated to pay 3UK \$0.7 million (the “Implementation Fee”) for the implementation of a MVNO (the “3UK MVNO”), and for monthly services provided, based on usage, after the 3UK MVNO is launched, which management anticipates to be in the third quarter of 2021. On February 19, 2021, the Company and 3UK amended the Connectivity Agreement to eliminate some of the invoicing

functionality of the 3UK MVNO, which reduced the Implementation Fee to \$0.5 million. The Implementation Fee is payable upon the satisfactory completion of certain agreed upon milestones. As of March 31, 2021, two of those milestones had been achieved.

Concurrent with the execution of the Connectivity Agreement, the Company entered into the Agreement for the Sale and Purchase of Credit Voucher (the “Credit Voucher Agreement”) with PCCW under which the Company is obligated to purchase a credit voucher for \$34.4 million. The credit voucher will be used to offset certain monthly service charges incurred under the Connectivity Agreement. As of March 31, 2021, \$0.4 million of the purchase price has been paid and \$0.3 million of the purchase price has been recorded in accrued expenses and other payables in the unaudited condensed consolidated balance sheet. The remaining \$33.7 million unconditional purchase obligation is due and payable following the launch date of the 3UK MVNO, where after the Company is required to remit the amount of the credit voucher used to offset monthly charges incurred under the Connectivity Agreement to PCCW each quarter.

Should the aggregate of the monthly charges offset with the credit voucher from the Connectivity Agreement launch date through June 30, 2022 be less than \$8.9 million, the Company is obligated to remit a make-up payment (the “2022 Make-up Payment”) for the difference between \$8.9 million and the aggregate monthly charges offset with the credit voucher. Should the aggregate of the monthly charges offset with the credit voucher from the Connectivity Agreement launch date through June 30, 2023, plus any 2022 Make-up Payment, if applicable, be less than \$15.8 million, the Company is obligated to remit a make-up payment (the “2023 Make-up Payment”) for the difference between \$15.8 million and the aggregate monthly charges offset with the credit voucher, plus any 2022 Make-up Payment. Should the aggregate of the monthly charges offset with the credit voucher from the Connectivity Agreement launch date through June 30, 2024, plus any 2022 Make-up Payment and any 2023 Make-up Payment, if applicable, be less than \$24.1 million, the Company is obligated to remit a make-up payment (the “2024 Make-up Payment”) for the difference between \$24.1 million and the aggregate monthly charges offset with the credit voucher, plus the 2022 Make-up Payment and the 2023 Make-up Payment. Should the aggregate of the monthly charges offset with the credit voucher from the Connectivity Agreement launch date through June 30, 2025, plus any 2022 Make-up Payment and any 2023 Make-up Payment and any 2024 Make-up Payment, if applicable, be less than \$33.7 million, the Company is obligated to remit a final make-up payment for the difference between \$33.7 million and the aggregate monthly charges offset with the credit voucher, plus any 2022 Make-up Payment and any 2023 Make-up Payment and any 2024 Make-up Payment.

The following table presents the minimum amounts due under the Company’s unconditional purchase obligations as of March 31, 2021:

(In thousands)	Connectivity Agreement	Credit Voucher Agreement	Total
2021 (excluding the three months ended March 31, 2021)	\$ 103	\$ —	\$ 103
2022	103	8,948	9,051
2023	—	6,883	6,883
2024	—	8,260	8,260
2025	—	9,637	9,637
Total	<u>\$ 206</u>	<u>\$ 33,728</u>	<u>\$ 33,934</u>

The following table presents management’s estimate of the timing of amounts due under the Company’s unconditional purchase obligations as of March 31, 2021:

(In thousands)	Connectivity Agreement	Credit Voucher Agreement	Total
2021 (excluding the three months ended March 31, 2021)	\$ 103	\$ —	\$ 103
2022	103	10,096	10,199
2023	—	8,173	8,173
2024	—	9,911	9,911
2025	—	5,548	5,548
Total	<u>\$ 206</u>	<u>\$ 33,728</u>	<u>\$ 33,934</u>

Legal Proceedings

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management’s expectations, the Company’s financial condition and operating results for that period could be materially adversely affected.

The following actions were initiated or settled on or before March 31, 2021:

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Ellenoff Grossman & Schole LLP. On May 5, 2017, the Company's former legal counsel, *Ellenoff Grossman & Schole LLP*, commenced litigation proceedings in New York alleging breach of contract and claiming \$0.8 million in unpaid legal fees for January

2015 through November 2016. On June 29, 2017, the parties entered into a settlement agreement for the full \$0.8 million with agreed-upon monthly installment payments through August 31, 2019. As of March 31, 2021, the amount outstanding on the settlement agreement is \$0.1 million.

SEC Investigation. In August 2019 and February 2020, the SEC issued subpoenas requiring the Company to produce certain documents related to, among other things, the Company's recognition of revenue, practices with certain customers, and internal accounting controls. The SEC staff has also interviewed and taken testimony from individuals previously employed by the Company in connection with the investigation. The Company is cooperating with the SEC staff in the SEC investigation and discussions with the SEC staff regarding a potential resolution of the investigation with respect to the Company are ongoing.

Sabby Volatility Warrant Master Fund, Ltd. v. Pareteum Corp., et al., No. 19-cv-10460 (S.D.N.Y.) (the "Section 11 Action"), is an action brought under Section 11 of the Securities Act by an investor, Sabby Volatility Master Fund, Ltd. ("Plaintiff Sabby"), against the Company, Robert H. Turner, Edward O'Donnell, Denis McCarthy, Victor Bozzo, Robert Lippert, Yves Van Sante, and Luis Jimenez Tunon (collectively, the "Defendants"), filed on November 11, 2019. Plaintiff Sabby alleges that the Defendants caused the Company to issue false or misleading statements in a Registration Statement filed with the SEC. Plaintiff Sabby claims that as a result of the alleged misconduct, the Defendants are liable for violations of Section 11 of the Securities Act, breaches of a securities purchase agreement (the "SPA") entered into between Plaintiff Sabby and Pareteum, and contractual indemnification allegedly owed to Plaintiff Sabby under the SPA. Plaintiff Sabby seeks monetary damages and/or rescission of the SPA, and indemnification by Pareteum for any losses resulting from its alleged breach of the SPA, including costs and expenses incurred in connection with the Section 11 Action.

Artilium Africa, LLC et al. v. Artilium, PLC et al.; ICDR Case No. 01-19-0003-1680 and *Artilium Africa, LLC and Tristar Africa Telecom, LLC v. Pareteum Corporation* are related matters arising out of the same dispute. The former matter is an arbitration filed with the International Center for Dispute Resolution ("ICDR") on October 1, 2019 alleging that Artilium Group Limited, a subsidiary of Pareteum Corporation formerly known as Artilium PLC ("Artilium"), breached an Operating Agreement relating to a joint venture called Artilium Africa formed by Artilium Green Globe Services LLC and Tristar Africa Telecom, LLC ("Tristar" and together with Artilium, the "Delaware Plaintiffs") to provide mobile data, cloud, and telecommunications services throughout Africa. The Claimants in the ICDR arbitration are seeking \$30.0 million. The latter matter is a civil case filed on October 10, 2019 in the Delaware District Court. The Delaware Plaintiffs allege that Pareteum tortuously interfered with Tristar's contract with Artilium in order to enter into the same type of agreement with Artilium. The Plaintiffs are seeking \$0.2 million in damages. On December 17, 2020, the Delaware District Court stayed the action and compelled the Delaware Plaintiffs to pursue their claims against Pareteum in the ICDR arbitration.

In re Pareteum Securities Litigation is the consolidation of various putative class actions that were filed in the United States District Court for the Southern District of New York. The cases were assigned to Judge Alvin Hellerstein, who consolidated the actions on January 10, 2020 and named the Pareteum Shareholder Investor Group as the Lead Plaintiff. The Lead Plaintiff is asserting claims on behalf of purported purchasers and/or acquirers of Company securities between December 14, 2017 and October 21, 2019. The defendants are the Company, Robert H. Turner, Edward O'Donnell, Victor Bozzo, Denis McCarthy, Dawson James Securities Inc., and Squar Milner LLP ("Defendants"). The Lead Plaintiff alleges that Defendants caused the Company to issue certain materially false or misleading statements in SEC filings and other public pronouncements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Sections 11, 12 and 15 of the Securities Act. The Lead Plaintiff seeks to recover compensatory damages with interest for itself and the other class members for all damages sustained as a result of Defendants' alleged wrongdoing and reasonable costs and attorney's fees incurred in the case.

Miller ex rel. Pareteum Corporation v. Victor Bozzo, et al. was filed on February 28, 2020 in the Supreme Court for the State of New York, New York County. It is a stockholder derivative suit brought by Plaintiff William Miller ("Plaintiff Miller"), derivatively on behalf of Pareteum, the Nominal Defendant, against certain officers and directors of Pareteum, including Victor Bozzo, Laura Thomas, Yves van Sante, Luis Jimenez-Tunon, Robert Lippert, Robert H. Turner, Edward O'Donnell, and Denis McCarthy (the "Individual Defendants"). Plaintiff Miller alleges that the Individual Defendants caused the Company to issue false or misleading statements in SEC filings and other public pronouncements in violation of certain federal securities regulations. Plaintiff Miller alleges that as a result of their misconduct, the Individual Defendants are liable for violations of Section 14(a) of the Exchange Act, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. Plaintiff Miller seeks a judgment awarding Pareteum damages with interest sustained as a result of the Individual Defendants' alleged misconduct, directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures, awarding Pareteum restitution from the Individual Defendants, and awarding Plaintiff Miller all costs and expenses incurred in pursuing the claims.

In re Pareteum Corporation Stockholder Derivative Litigation (the "Delaware Derivative Action") is a consolidated action that was originally filed in the United States District Court for the District of Delaware (the "Delaware District Court") and joins several related derivative actions (the "Related Suits"). On April 3, 2020, the Delaware District Court consolidated the Related Suits brought by stockholders Edward Hayes, Juanita Silvera, and Brad Linton ("Plaintiffs"), derivatively on behalf of Pareteum, the Nominal Defendant, against certain officers and directors of Pareteum, including Robert H. Turner, Edward O'Donnell, Denis McCarthy, Laura Thomas, Victor Bozzo, Luis Jimenez-Tunon, Robert Lippert, Rob Mumby and Yves Van Sante (the "Individual Defendants"). Plaintiffs in the related actions have alleged that the Individual Defendants caused Pareteum to issue false or misleading statements in SEC

filings and other public pronouncements in violation of certain federal securities regulations. Plaintiffs allege that as a result of the Individual Defendants' misconduct, they are liable for violations of Section 14(a) of the Exchange Act, breach of fiduciary duty,

unjust enrichment, and gross mismanagement. Plaintiffs seek a judgment (1) declaring that the Individual Defendants breached their fiduciary duties and/or aided and abetted the breach of their fiduciary duties; (2) awarding Pareteum damages sustained as a result of the Individual Defendants' breaches of fiduciary duty and violations of federal securities laws; (3) ordering that the Individual Defendants disgorge any performance-based compensation that was received during, or as a result of, the Individual Defendants' breaches of fiduciary duty; (4) directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures; (5) granting appropriate equitable or injunctive relief to remedy the Individual Defendants' breaches of fiduciary duties and other violations of laws; (6) awarding Pareteum restitution from the Individual Defendants; and (7) awarding Plaintiffs all costs and expenses incurred in the Related Suits and Delaware Derivative Action. On July 22, 2020, this action was transferred to the United States District Court for the Southern District of New York.

Zhang ex rel. Pareteum Corporation v. Robert H. Turner, et al. was filed on May 26, 2020 in the Supreme Court for the State of New York, New York County. It is a stockholder derivative suit brought by Plaintiff Wei Zhang ("Plaintiff Zhang"), derivatively on behalf of Pareteum, the Nominal Defendant, against certain officers and directors of Pareteum, including Robert H. Turner, Edward O'Donnell, Denis McCarthy, Victor Bozzo, Rob Mumby, Luis Jimenez-Tunon, Robert Lippert, Laura Thomas, and Yves van Sante (the "Individual Defendants"). Plaintiff Zhang alleges that the Individual Defendants caused the Company to issue false or misleading statements in SEC filings and other public pronouncements in violation of certain federal securities regulations. Plaintiff Zhang alleges that as a result of their misconduct, the Individual Defendants are liable for violations of Section 14(a) of the Exchange Act, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. Plaintiff Zhang seeks a judgment awarding Pareteum damages with interest sustained as a result of the Individual Defendants' alleged misconduct, directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures, awarding Pareteum restitution from the Individual Defendants, and awarding Plaintiff Zhang all costs and expenses incurred in pursuing this claim.

Douglas Loskot v. Pareteum Corporation, et al., is a putative class action pending in the Superior Court of California, County of San Mateo. It was filed on May 29, 2020 on behalf of all former stockholders of iPass Inc. who received shares of the Company's common stock pursuant to a February 12, 2019 Offer to Exchange. The defendants are the Company, Robert H. Turner, Edward O'Donnell, Victor Bozzo, Yves van Sante, Robert Lippert and Luis Jimenez-Tunon. The complaint alleges that the defendants caused the Company to issue materially false or misleading statements in SEC filings submitted in connection with the Offer to Exchange in violation of Sections 11 and 15 of the Securities Act.

Shaw ex. rel. Pareteum Corporation v. Luis Jimenez-Tunon, et al. was filed on July 10, 2020 in the Supreme Court for the State of New York, New York County. It is a stockholder derivative suit brought by Plaintiff Michael Shaw ("Plaintiff Shaw"), derivatively on behalf of Pareteum, the Nominal Defendant, against certain officers and directors of Pareteum, including Luis Jimenez-Tunon, Robert Lippert, Yves Van Sante, Robert H. Turner, Edward O'Donnell, Denis McCarthy, Victor Bozzo, and Laura Thomas (the "Individual Defendants"). Plaintiff Shaw alleges that the Individual Defendants caused the Company to issue false or misleading statements in SEC filings and other public pronouncements in violation of certain federal securities regulations. Plaintiff Shaw alleges that as a result of their misconduct, the Individual Defendants are liable for violations of Section 14(a) of the Exchange Act, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. Plaintiff Shaw seeks a judgment awarding Pareteum damages sustained as a result of the Individual Defendants' alleged misconduct, directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures, and awarding Plaintiff Shaw all costs and expenses incurred in pursuing this claim.

Gregory Lackey, derivatively on behalf of Pareteum Corp. v. Robert "Hal" Turner, et al., No. 1:21-mc-00070, is a shareholder derivative suit that was filed on January 25, 2021 in the United States District Court for the Southern District of New York. Plaintiff Gregory Lackey ("Plaintiff Lackey") is a purported stockholder suing on behalf of Pareteum and alleging that certain officers and directors of Pareteum, including Robert H. Turner, Edward O'Donnell, Denis McCarthy, Victor Bozzo, Luis Jimenez-Tunon, Robert Lippert, Rob Mumby, Laura Thomas and Yves Van Sante (the "Individual Defendants") caused Pareteum to issue false or misleading statements in SEC filings and other public pronouncements in violation of certain federal securities statutes and regulations. Plaintiff Lackey alleges that as a result of their misconduct, the Individual Defendants are liable for contribution and indemnification under Section 21D of the Exchange Act, breach of fiduciary duty, and unjust enrichment. Plaintiff Lackey seeks a judgment (1) awarding Pareteum damages sustained as a result of the Individual Defendants' breaches of fiduciary duty; (2) directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures; (3) awarding Pareteum restitution from the Individual Defendants and disgorgement of all profits obtained by the Individual Defendants; and (4) awarding Plaintiff Lackey all costs and expenses incurred in the action.

Reuben Harmon, derivatively on behalf of Pareteum Corp. v. Robert H. Turner, et al. is a stockholder derivative lawsuit that was filed in the Supreme Court for the State of New York, New York County on January 27, 2021 by Reuben Harmon ("Plaintiff Harmon"). This case was brought derivatively on behalf of Pareteum, the Nominal Defendant, against certain current and former officers and directors of the Company, including Robert H. Turner, Edward O'Donnell, Denis McCarthy, Victor Bozzo, Rob Mumby, Luis Jimenez-Tunon, Robert Lippert, Laura Thomas and Yves Van Sante (the "Individual Defendants"). Plaintiff Harmon alleges that the Individual Defendants caused Pareteum to issue false or misleading statements in SEC filings and other public pronouncements in violation of

certain federal securities statutes and regulations. Plaintiff Harmon alleges that as a result of their misconduct, the Individual Defendants are liable for breaches of their fiduciary duties as directors and/or officers of Pareteum, unjust enrichment,

abuse of control, gross mismanagement, and waste of corporate assets. Plaintiff Harmon seeks a judgment awarding Pareteum damages with interest sustained as a result of the Individual Defendants' alleged misconduct, directing the Individual Defendants to take certain measures to reform and improve Pareteum's corporate governance and internal procedures, awarding Pareteum restitution from the Individual Defendants, and awarding Plaintiff Harmon all costs and expenses incurred in pursuing the claim.

Deutsche Telekom A.G. ("DTAG") is both a supplier to, and customer of, the Company's subsidiary, iPass. DTAG has initiated a lawsuit in Germany in the amount of approximately \$0.8 million for non-payment for supply of services to iPass and/or insufficient delivery of services to DTAG. iPass has reasonable grounds to set-off a significant proportion of the claimed sums and otherwise dispute the claims. iPass intends to vigorously defend and/or set-off the DTAG claim.

Stephen Brown v. Elephant Talk North America Corporation and Elephant Talk Communications Corp., Case No. 5:18-cv-902-R in the Western District of Oklahoma. A former consultant, Steve Brown ("Plaintiff Brown") brought a lawsuit against Pareteum and its subsidiary claiming approximately five (5) years' unpaid consulting fees in an amount equal to \$0.8 million. The Company believes some or all of his claims are time-barred and/or frivolous. The Company's position is that Plaintiff Brown was dismissed for cause in 2013/14, and intends to defend itself in this matter vigorously.

Unclaimed Property Compliance

The Company has received notices from several states stating that they have appointed an agent to conduct an examination of the books and records of the Company to determine whether it has complied with state unclaimed property laws. In addition to seeking the turnover of unclaimed property subject to escheat laws, the states may seek interest, penalties, costs of examinations, and other relief. If the potential loss from any payment claim is considered probable and the amount or the range of the loss can be estimated, the Company accrues a liability for the estimated loss. To date, the Company is not able to estimate the possible payment, if any, due to the early state of this matter.

Note 13. Subsequent Events

The Company has evaluated subsequent events through the filing of this Report and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements except for the transactions described below.

Senior Convertible Note

On April 8, 2021, High Trail provided notice to the Company that it was causing \$6.0 million of the purchase price of the Senior Convertible Note maintained in the blocked account to be transferred to High Trail in partial satisfaction of the amounts outstanding under the Senior Convertible Note.

On May 24, 2021, the Company entered into the New Forbearance Agreement with the holder of the Senior Convertible Note under which (i) the Company again admitted it was in default under several obligations under the Senior Convertible Note and related agreements, and (ii) the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the aggregate amount outstanding under the Senior Convertible Note, until the Outside Date, as the same may be extended from time to time under the terms of the New Forbearance Agreement.

As partial consideration for its agreement not to exercise any right or remedy under the Senior Convertible Note and related documents, the lender and the Company agreed to make certain changes to the documents. In this regard, the parties agreed to amend the "Event of Default Acceleration Amount" definition in the Senior Convertible Note so that the amount due and payable by the Company on account of an event of default would be an amount in cash equal to 125% of the then-outstanding principal and accrued and unpaid interest under the Senior Convertible Note. This represents an increase from 120% of the then-outstanding principal and accrued and unpaid interest, and removes the market-price-based alternative for such acceleration amount.

Additionally, the parties also agreed that the principal amount outstanding under the Senior Convertible Note would be increased by certain paid-in-kind amounts in full satisfaction of the Company's obligation to make payments of interest to the lender on each of April 1, 2021 and May 1, 2021, which amounts were not paid by the Company in cash or Common Stock. In consideration of the lender's agreement to enter into the New Forbearance Agreement and agree to the amendments to the Senior Convertible Note, the Company agreed to pay the lender a fee in the amount of \$1.5 million. Accordingly, following these increases in the principal amount payable, but applying against the outstanding principal and such fee the \$6.0 million previously maintained in certain blocked account that was foreclosed upon by the lender, the total amount of principal outstanding under the Senior Convertible Note as of the date of the New Forbearance Agreement was approximately \$13.5 million.

On June 19, 2021, the Company entered into an amendment to the Senior Convertible Note under which the Company will increase the number of shares of common stock reserved for issuance upon conversion of the Senior Convertible Notes, such that the Company is required to reserve the greater of i) 230,000,000 shares or ii) the quotient obtained by dividing (A) 200% of the principal amount outstanding, plus all accrued and unpaid interest by (B) 85% of the recent trading price of the Company's common stock.

On August 16, 2021, High Trail provided notice to the Company that the Outside Date was not being extended, and accordingly, High Trail's agreement to forbear taking any actions with respect to the Company's defaults terminated on August 23, 2021.

Junior Convertible Notes

On April 29, 2021, the Company entered into a securities purchase agreement, dated as of April 13, 2021 (the “Junior Convertible Notes Securities Purchase Agreement”), with the Junior Convertible Note Purchasers providing for the issuance and sale by the Company of up to \$6.0 million aggregate principal amount of additional Junior Convertible Notes and warrants to purchase up to 5,000,000 shares of its common stock at an exercise price of \$0.40. Under the Junior Convertible Notes Securities Purchase Agreement, a Note Purchaser will be issued warrants equal to 83.33333333% of the principal amount of Junior Convertible Notes acquired. The additional Junior Convertible Notes and accompanying warrants may be sold from time to time to one or more Note Purchasers under the terms of the Junior Convertible Notes Securities Purchase Agreement. On April 29, 2021, the Company closed on the sale of additional Junior Convertible Notes in the aggregate principal amount of approximately \$1.8 million and warrants to purchase 1,490,000 shares of common stock under the Junior Convertible Notes Securities Purchase Agreement for an aggregate purchase price of \$1.5 million.

On June 19, 2021, the Company entered into the Omnibus Agreement, with holders of its previously outstanding Junior Convertible Notes; issued three new Junior Convertible Notes with an aggregate principal amount of \$17.3 million for a purchase price of \$5.0 million in cash and the surrender of 91.38 shares of Redeemable Preferred Stock; and issued a new warrant to one of the Junior Convertible Note purchasers for the purchase of 5,000,000 shares of the Company's common stock at an exercise price of \$0.37 per share.

The Omnibus Agreement amended the Junior Convertible Notes Securities Purchase Agreement and previously outstanding Junior Convertible Notes and, among other changes:

- Increased the aggregate principal amount of Junior Convertible Notes issuable under the Junior Convertible Notes Securities Purchase Agreement from \$6.0 million to \$24.0 million (plus the accrued in-kind interest that is subsequently added to the principal amount outstanding from time to time);
- Increased the aggregate number of shares issuable upon the exercise of warrants to purchase common stock issuable under the Junior Convertible Notes Securities Purchase Agreement from 5,000,000 shares to 11,625,000 shares;
- Added additional negative covenants that restrict the Company from selling any additional securities under the Junior Convertible Notes Securities Purchase Agreement to any new investors and from redeeming all or any portion of any Junior Convertible Notes unless the holders receive the stated premium;
- Changed the conversion rate from 1,666.667 shares of common stock per \$1,000 in principal amount of Junior Convertible Notes converted to 2,702.702 shares of common stock per \$1,000 of principal converted;
- Provides for accrued interest to be paid in-kind by adding such amounts to the outstanding principal balance, rather than paying such amounts in cash or the issuance of shares of common stock;
- Revised the interest rate to 18% until the first interest payment date following the date on which the Company has filed all required periodic reports under the Exchange Act; and
- Added a provision that at the request of holders of a majority of the outstanding Junior Convertible Notes and warrants issued under the Junior Convertible Notes Securities Purchase Agreement, the maturity date will be extended to October 1, 2027 from October 1, 2025.

Warrant Extension

On April 24, 2021, the Company effected a waiver of the expiration date of its then remaining outstanding Series B Warrants to purchase an aggregate of 11,105,113 shares of the Company's common stock. The Company had originally issued the Series B Warrants on September 24, 2019 for the purchase of up to 11,363,636 shares of the Company's common stock at an exercise price of \$1.84 per share through March 24, 2021. On February 22, 2021, Series B Warrants to purchase an aggregate 258,523 shares of common stock were cancelled in connection with the February 22, 2021 issuance of Junior Convertible Notes described above. On March 22, 2021 and then on April 24, 2021, the Company extended the expiration dates of the remaining outstanding Series B Warrants to purchase an aggregate of 11,105,113 shares of the Company's common stock that had the effect of extending the expiration date through June 30, 2021. The Series B Warrants subsequently expired on June 30, 2021.

PPP Loans

In May 2020, iPass received an \$0.8 million PPP loan under the CARES Act. In June of 2021, the Company was notified that the iPass PPP Loan was entirely forgiven.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Report, including, without limitation, matters discussed in the section of this Report titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” (“MD&A”), should be read in conjunction with the unaudited condensed consolidated financial statements, related notes, and other detailed information included in Part I, Item 1 of this Report and the audited consolidated financial statements, related notes thereto, and other detailed information included in Part II, Item 8 of our 2020 Annual Report. This Report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. With the exception of historical matters, the matters discussed in this Report are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Forward-looking statements are generally identified by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “project,” “should,” “will,” “would” and other similar expressions. In addition, any statements that refer to expectations or other characterizations of future events or circumstances are forward-looking statements. The statements that contain these or similar words should be read carefully because these statements discuss our future expectations, contain projections of our future results of operations or of our financial position, or state other “forward-looking” information. However, our actual results may differ materially from those contained in, or implied by, these forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to:

- risks and uncertainties associated with the integration of the assets and operations we have acquired and may acquire in the future;
- our possible inability to generate additional funds that will be necessary to expand our operations;
- the substantial doubt about our ability to continue as a going concern expressed in the most recent report on our audited financial statements;
- our potential lack of revenue growth;
- the length of our sales cycle;
- pending investigations by the SEC and other lawsuits;
- the outbreak and impact of the COVID-19 pandemic on the global economy and our business;
- our potential inability to add new products and services that will be necessary to generate increased sales;
- our potential inability to develop and successfully market platforms or services or our inability to obtain adequate funding to implement or develop our business;
- our ability to successfully remediate the material weaknesses in our internal control over financial reporting disclosed in this report within the time periods and in the manner currently anticipated;
- the effectiveness of our internal control over financial reporting, including the identification of additional control deficiencies;
- risks related to restrictions and covenants in our convertible debt facility that may adversely affect our business;
- risks related to our current noncompliance with certain terms under our convertible debt facility;
- our potential loss of key personnel and our ability to find qualified personnel;
- international, national, regional and local economic political changes, political risks, and risks related to global tariffs and import/export regulations;
- fluctuations in foreign currency exchange rates;
- our potential inability to use and protect our intellectual property;
- risks related to our continued investment in research and development, product defects or software errors, or cybersecurity threats;
- general economic and market conditions;
- regulatory risks and the potential consequences of noncompliance with applicable laws and regulations;
- increases in operating expenses associated with the growth of our operations;
- risks related to our capital stock, including the potentially dilutive effect of issuing additional shares and the fact that shares eligible for future sale may adversely affect the market for our common stock;
- the possibility of telecommunications rate changes and technological changes;
- disruptions in our networks and infrastructure;
- the potential for increased competition and risks related to competing with major competitors who are larger than we are;
- our positioning in the marketplace as a smaller provider;
- risks resulting from the restatement of our financial statements for the year ended December 31, 2018, the interim periods contained therein and the interim periods ended March 31, 2019 and June 30, 2019; and

- those risks listed in the sections of this Report titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” and those risks listed in the section of our 2020 Annual Report titled “*Risk Factors*.”

The foregoing does not represent an exhaustive list of risks, new risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those contained in any forward-looking statements. All forward-looking statements included in this Report are based on information available to us on the date of this Report. Except to the extent required by applicable laws or rules, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this Report.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

Pareteum Corporation (OTC: TEUM) is a rapidly growing cloud software communications platform company with a mission - to Connect Every Person and Every(Thing)™.

Millions of people and devices are connected around the world using Pareteum’s global cloud software communications platform, enhancing their mobile experience. Pareteum’s goal is to unleash the power of applications and mobile services, which we believe will bring secure, ubiquitous, scalable, and seamlessly available voice, video, SMS/text messaging, and data services to our customers, making worldwide communications services easily and economically accessible to everyone. By harnessing the value of our cloud communications platform, Pareteum serves enterprises, communications service providers, early-stage innovators, developers, IoT, and telecommunications infrastructure providers.

With estimates of up to 30 billion devices to be managed and connected according to ABI Research, a market research firm that specializes in global connectivity and emerging technology, the total available market is vast. Service providers, brand marketing companies, and enterprise and IoT providers use Pareteum’s cloud communication services and turnkey solutions featuring relevant content, applications, and connectivity worldwide. Pareteum integrates a variety of disparate communications methods and services and offers them to customers and application developers, allowing communications to become a value-added service. We believe that this is a major strategic goal for many industries, from legacy telecommunications providers to the disruptive technology and data enterprises of today and the future.

The vast majority of our platform is comprised of our internally-developed software and intellectual property, which provides our customers with flexibility in how they use our products and allows us to be market driven going forward. We have been granted more than 70 patents related to techniques and processes that support our cloud software and communications platform solutions. Our platform services partners (whose technologies are integrated into our cloud) include: Hewlett Packard Enterprise, IBM, AT&T, Amazon Web Services, Sonus, Veniam, Oracle, Microsoft, NetNumber, Affirmed Networks and other world-class technology providers.

Pareteum is a mission-focused company that seeks to empower “Every Person and Every(Thing)” to be globally connected, hence our slogan – ANY DEVICE, ANY NETWORK, ANYWHERE™. The Pareteum cloud communications platform targets large and growing sectors from IoT, mobile virtual network operators, enablers and aggregators, Smart Cities, and application developer markets - each in need of mobile platforms, management, and connectivity. These sectors need CPaaS, which Pareteum delivers.

As of October 1, 2018, the Company includes Artilium plc, which operates as a wholly owned subsidiary of the Company. Artilium is a software development company active in the enterprise communications and core telecommunications markets delivering software solutions that layer over disparate fixed, mobile and IP networks to enable the deployment of converged communication services and application technology providers. As of February 12, 2019, the Company includes iPass, Inc., which operates as a wholly owned subsidiary of the Company. iPass is a cloud-based service provider of global mobile connectivity, offering Wi-Fi access on any mobile device through its SaaS platform.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto and the other financial information included elsewhere in this Report.

Critical Accounting Policies and Estimates

Our accounting and reporting policies conform to GAAP and are fundamental to understanding our unaudited condensed consolidated financial statements and this MD&A. Several of our policies are critical as they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and affect the reported amount of assets, liabilities, revenues and costs included in the unaudited condensed consolidated financial statements. Circumstances and events that differ significantly from those underlying our estimates, assumptions and judgments could cause the actual amounts reported to differ significantly from these estimates.

On an ongoing basis, we evaluate the estimates and assumptions used in these policies based on historical experience and various other factors and circumstances. We believe our estimates and assumptions are reasonable under the circumstances; however, actual results may differ significantly from these estimates and assumptions, which could have a material impact on the carrying value of assets and liabilities as of future balance sheet dates and our results of operations in future reporting periods.

Management has evaluated the Company's critical accounting policies and the following areas represent its critical accounting policies as of March 31, 2021, and are described below:

- Revenue recognition and net billing in excess of revenues;
- Allowance for doubtful accounts;
- Income taxes;
- Share-based compensation;
- Warrant and derivative liabilities;
- Business combinations;
- Goodwill and intangible assets impairment; and
- Contingent losses.

None of the Company's critical accounting policies have changed in the three months ended March 31, 2021. For a detailed discussion of these critical accounting policies, please refer to the "*Critical Accounting Policies*" in MD&A, Part I, Item 7 of the in the 2020 Annual Report.

Results of Operations

Comparison of the three months ended March 31, 2021 and 2020

Revenue

Revenue represents amounts earned from our mobile and CPaaS solutions. Our solutions take many forms, but our revenue generally consists of fixed and/or variable charges for services delivered monthly under a combined services and SaaS model. We also offer discrete (one-time) services for implementation and for development of specific functionality requested by our customers.

Revenue for the three months ended March 31, 2021 and 2020 was \$15.5 million and \$20.1 million, respectively. The \$4.6 million, or 22.9%, decrease is primarily due to a decline in mobility communications as a result of diminished business travel by our customers and lower MVNO volumes as a result of fewer subscribers of our customers.

Cost of Revenue

Cost of revenue includes origination, termination, network and billing charges from telecommunications operators, costs of telecommunications service providers, network costs, data center costs, facility costs of hosting network and equipment, costs in providing resale arrangements with long distance service providers, costs of leasing transmission facilities, international gateway switches for voice, and data transmission services, and the cost of professional services of staff directly related to the generation of revenues, consisting primarily of employee-related costs associated with these services, including costs of subcontractors and share-based compensation. Cost of revenue excludes depreciation and amortization.

Cost of revenue for the three months ended March 31, 2021 and 2020 was \$10.2 million and \$14.4 million, respectively. The \$4.2 million, or 29.1%, decrease is primarily driven by the decrease in revenue.

Product Development

Product development costs consist primarily of salaries and related expenses, including share-based compensation, of employees involved in the development of the Company's services, which are expensed as incurred. Costs such as database architecture and Pareteum business operating system and intelligent network platform development and testing are also included in this function.

Product development costs for the three months ended March 31, 2021 and 2020 were \$2.0 million and \$3.0 million, respectively. The \$1.0 million, or 33.2%, decrease is primarily due to lower share-based compensation expenses, personnel costs at iPass related to our cost improvement initiatives through resizing our operations to reflect the reduced activity levels, and lower vendor expenses as a result of reduced product development activity.

Sales and Marketing

Sales and marketing expenses consist primarily of salaries and related expenses of our sales and marketing staff, including commissions, payments to partners, marketing programs, and share-based compensation. Marketing programs consist of advertising, events, corporate communications, and brand building.

Sales and marketing expenses for the three months ended March 31, 2021 and 2020 were \$1.3 million and \$1.9 million, respectively. The \$0.6 million, or 33.6%, decrease is primarily due to reduced personnel and related costs, including lower share-based

compensation expenses, and lower consultant costs related to our cost improvement initiatives through resizing our operations to reflect the reduced activity levels.

General and Administrative

General and administrative expenses consist primarily of overhead-related salaries and expenses, including share-based compensation, for nonemployee directors, finance and accounting, legal, internal audit, and human resources personnel, legal costs, professional fees and other corporate expenses.

General and administrative expenses for the three months ended March 31, 2021 and 2020 were \$9.7 million and \$7.0 million, respectively. The \$2.7 million, or 37.9%, increase is primarily due to an increase in legal and accounting expenses associated with the restatement of our fiscal 2018 financial statements, the accrual of an employee settlement agreement, and reduced contract labor expenses, partially offset by lower share-based compensation expenses.

Depreciation and Amortization

Depreciation and amortization expense includes depreciation and amortization of property, equipment, and software development, and amortization of intangible assets.

Depreciation and amortization expense for the three months ended March 31, 2021 and 2020 was \$2.4 million and \$2.6 million, respectively. Depreciation and amortization of property, equipment, and software development for the three months ended March 31, 2021 and 2020 was \$1.7 million and \$1.9 million, respectively, and amortization of intangible assets for the three months ended March 31, 2021 and 2020 was \$0.7 million and \$0.7 million, respectively.

Nonoperating Expenses, Net

The following table provides details of nonoperating expenses and income for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Interest expense, net	\$ 1,843	\$ 1,828
Change in fair value of warrant and derivative liabilities	(4,698)	—
Other income, net	(717)	(1,303)
Nonoperating expense (income), net	<u>\$ (3,572)</u>	<u>\$ 525</u>

Interest Expense, Net

Interest expense, net for the three months ended March 31, 2021 and 2020 was \$1.8 million and \$1.8 million, respectively. Noncash interest expense in the three months ended March 31, 2021 and 2020 was \$1 million and \$1.6 million, respectively.

Change in Fair Value of Warrant and Derivative Liabilities

For the three months ended March 31, 2021, the change in the fair value of the warrant and derivative liabilities represented other income of \$4.7 million, and included other expense of \$0.5 million related to the Senior Convertible Note derivative liability; other income of \$1.9 million related to the warrant liability; an immaterial amount of other income related to the Junior Convertible Note derivative liability; and other income of \$3.2 million related to the Redeemable Preferred Stock derivative liability.

Other Income, Net

Other income, net for the three months ended March 31, 2020 was \$0.7 million, primarily related to foreign currency transaction adjustments. Other income, net for the three months ended March 31, 2020 was \$1.3 million, primarily related to \$0.8 million of forgiven iPass accounts payable and \$0.3 million related to the termination of leases.

Income Tax Benefit

At the end of each reporting period, we estimate our annual effective consolidated income tax rate. The estimate used for the period ended March 31, 2021 may change in subsequent periods. Income tax benefit for the three months ended March 31, 2021 and 2020 was immaterial and \$0.1 million, respectively.

Other Comprehensive Loss

We record foreign currency translation gains and losses related to the translation adjustments of accounts denominated in foreign currencies, primarily the Euro, as other comprehensive income or loss, which for the three months ended March 31, 2021 and 2020 were losses of \$0.7 million and approximately zero, respectively.

Liquidity and Capital Resources

Our primary capital needs are for working capital obligations, capital expenditures, and other general corporate purposes. We assess liquidity in terms of our ability to generate cash to fund our operating activities. Factors that could materially impact our liquidity include cash flows generated from operating activities, and our ability to attract long-term capital with satisfactory terms, whether through debt or equity offerings.

Since March 31, 2021, we received net proceeds of \$6.5 million as a result of the issuance of Junior Convertible Notes. Additionally, the Company was notified that the \$0.8 million iPass PPP Loan was entirely forgiven. We also may sell up to an additional \$2.5 million in aggregate principal Junior Convertible Notes under the Junior Convertible Notes Securities Purchase Agreement.

As reflected in the accompanying condensed consolidated financial statements, the Company reported cash used in operating and investing activities of \$7.8 million in the three months ended March 31, 2021 and \$14.1 million in the year ended December 31, 2020, after considering the receipt of proceeds from the sale of assets of \$12.2 million. As of March 31, 2021, the Company had cash balances available for operations of \$2.1 million. Additionally, as discussed more fully below, as of March 31, 2021, our total indebtedness, including the redemption value of the Redeemable Preferred Stock, but excluding lease liabilities, deferred financing costs and debt discounts, was \$45.0 million, which was comprised of the principal balances of the Senior Convertible Note of \$17.5 million, Junior Convertible Note of \$2.4 million, a term loan of \$0.2 million, promissory notes of \$0.7 million, a related party loan of \$0.3 million, the iPass PPP Loan of \$0.8 million, and the redemption value of the Redeemable Preferred Stock of \$23.1 million.

In light of our cash position and indebtedness, we believe that we will not have sufficient resources to fund our operations and meet our obligations under our debt instruments for the twelve months following the filing of this Report. Our software platforms require ongoing funding to continue the current development and operational plans and we will continue to expend substantial resources for the foreseeable future in connection with the continued development of our software platforms. These expenditures will include costs associated with research and development activity, corporate administration, business development, and marketing and selling of our services. In addition, other unanticipated costs may arise.

As a result, we believe that additional capital will be required to fund our operations and provide growth capital to meet our obligations under the Senior Convertible Note, the Junior Convertible Notes, and the Redeemable Preferred Stock. Accordingly, we will have to raise additional capital in one or more debt and/or equity offerings and continue to work with our lenders to cure the defaults, or otherwise seek other alternatives to addressing our liquidity and capital resources issues. There can be no assurance, however, that we will be successful in raising the necessary capital or that any such offering will be available to us on terms acceptable to us, or at all. If we are unable to raise additional capital that may be needed, this would have a material adverse effect on the Company. Furthermore, the recent decline in the market price of our common stock, coupled with the stock's delisting from the Nasdaq Stock Market, could make it more difficult to sell equity or equity-related securities in the future at a time and price that we deem appropriate. The factors discussed above raise substantial doubt as to our ability to continue as a going concern within one year after the date that this Report is issued.

Indebtedness

Senior Convertible Note

On June 8, 2020, the Company issued the \$17.5 million Senior Convertible Note due April 1, 2025 to High Trail for a purchase price of \$14.0 million. The Company initially received \$4.0 million of the purchase price for working capital and the remaining \$10.0 million was deposited into a blocked bank account based on the terms of a Control Agreement, of which \$3.0 million and \$1.0 million was released to the Company in July 2020 and December 2020, respectively, and the remaining \$6.0 million was removed from the blocked accounts by the lender in partial satisfaction of the Senior Convertible Note in April 2021.

The Senior Convertible Note contains customary events of default, as well as events of default if the Company fails to use reasonable efforts to obtain the approval of its stockholders for the issuance of the shares issuable upon conversion by October 31, 2020, the Company's common stock ceases to be traded on the Nasdaq Capital Market, or the Company fails to restate its financial statements for the year ended December 31, 2018 and the quarters ended March 31, 2019 and June 30, 2019, in each case, prior to October 31, 2020, or fails to timely file its subsequent quarterly reports on Form 10-Q or its subsequent annual reports on Form 10-K with the SEC in the manner and within the time periods required by the Exchange Act. As a result of, among other things, the Company's common stock no longer being traded on the Nasdaq Stock Market, the Company failing to restate its financial statements for the year ended December 31, 2018 and the quarters ended March 31, 2019 and June 30, 2019, in each case, prior to October 31, 2020, and its failure to timely file its subsequent quarterly reports on Form 10-Q or its subsequent annual reports on Form 10-K with the SEC in the manner and within the time periods required by the Exchange Act, the Company is currently in default under the Senior Convertible Note.

On December 1, 2020, December 23, 2020, February 1, 2021, and March 1, 2021, we entered into various Forbearance Agreements, under which: (i) we admitted that we were in default of several obligations under the Senior Convertible Note and related agreements, (ii) the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the aggregate amount outstanding under the Senior Convertible Note, until the earlier of March 31, 2021 and the date of any new event of default or initiation of any action by the Company to invalidate any of the representations and warranties made in the Forbearance Agreements. As a result of the defaults, the interest rate paid on the principal outstanding under the Senior Convertible Note increased to 18.0% per annum.

On May 24, 2021, the Company entered into the New Forbearance Agreement with the holder of the Senior Convertible Note under which (i) the Company again admitted it was in default of several obligations under the Senior Convertible Note and related agreements, and (ii) the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the

aggregate amount outstanding under the Senior Convertible Note, until the Outside Date, which automatically extends for successive two-week periods unless on or before the then-applicable Outside Date the lender provides notice that the Outside Date is not being extended.

As partial consideration for its agreement not to exercise any right or remedy under the Senior Convertible Note and related documents, the lender and the Company agreed to make certain changes to the Senior Convertible Note and related documents. In this regard, the parties agreed to amend the "Event of Default Acceleration Amount" definition in the Senior Convertible Note so that the amount due and payable by the Company on account of an event of default would be an amount in cash equal to 125% of the then-outstanding principal and accrued and unpaid interest under the Senior Convertible Note. This represents an increase from 120% of the then-outstanding principal and accrued and unpaid interest, and removes the market-price-based alternative for such acceleration amount.

Additionally, the parties also agreed that the principal amount outstanding under the Senior Convertible Note would be increased by certain paid-in-kind amounts in full satisfaction of the Company's obligation to make payments of interest to the lender on each of April 1, 2021 and May 1, 2021, which amounts were not paid by the Company in cash or common stock. In consideration of the lender's agreement to enter into the New Forbearance Agreement and agree to the amendments to the Senior Convertible Note, the Company agreed to pay the lender a fee in the amount of \$1.5 million. Accordingly, following these increases in the principal amount payable, but applying against the outstanding principal and such fee the \$6.0 million previously maintained in certain blocked account that was foreclosed upon by the lender, the total amount of principal outstanding under the Senior Convertible Note as of the date of the New Forbearance Agreement was approximately \$13.5 million.

The Senior Convertible Note is convertible into shares of the Company's common stock, including any portion constituting an optional redemption payment amount, at High Trail's election. The conversion rate is equal to 1,666.667 shares of the Company's common stock for every \$1,000 of Senior Convertible Note principal, or \$0.60 per share.

The Senior Convertible Note is secured by a first lien on substantially all of the assets of the Company and substantially all of the assets of its material domestic subsidiaries and the assets of Pareteum Europe BV, a subsidiary organized in the Netherlands. In addition, the Senior Convertible Note contains customary affirmative and negative covenants, including restrictions on indebtedness, equity securities, liens, dividends, distributions, acquisitions, investments, sale or transfer of assets, transactions with affiliates and maintenance of certain financial ratios.

On August 16, 2021, High Trail provided notice to the Company that the Outside Date was not being extended, and accordingly, High Trail's agreement to forbear taking any actions with respect to the Company's defaults terminated on August 23, 2021.

Junior Convertible Notes

On February 22, 2021, the Company issued the \$2.4 million Junior Convertible Note due April 1, 2025 for \$2.0 million to BMF. The Junior Convertible Note is a senior, secured obligation of the Company, but ranks junior to the Senior Convertible Note. Interest is payable monthly beginning April 1, 2021 at a rate of 8.0% per annum. The Junior Convertible Note is secured by a second lien on substantially all of the Company's assets and substantially all of the assets of its material domestic subsidiaries. Interest may be paid, at the election of the Company, in cash or in shares of common stock of the Company; provided, that, so long as the Senior Convertible Note remains outstanding, such payments may only be made in shares. The number of shares of common stock to be issued to pay interest in shares of the Company's common stock is determined by the application of a formula in which the amount of the interest due is divided by 85% of the lowest volume weighted-average price of the Company's common stock on the principal market for the Company's common stock over the 10 days preceding the date of such payment.

Subject to an intercreditor agreement with the holder of the Senior Convertible Note, the Company may elect to redeem all or a portion of the then-outstanding principal amount outstanding under the Junior Convertible Note. The holder of such Junior Convertible Note or the Company may also elect for the Company to redeem the Junior Convertible Note at a 20% premium if the Company undergoes a fundamental change. The Junior Convertible Note is convertible into the Company's common stock, in part or in whole, from time to time, at the election of the Purchaser. The conversion rate is equal to 1,666.667 shares of the Company's common stock for each \$1,000 of principal amount of the Junior Convertible Note, or \$0.60 per share. The conversion rate is subject to customary anti-dilution adjustments in the event the Company issues stock dividends or effects a split or reverse split of the Company's common stock.

On April 29, 2021, the Company entered into the Junior Convertible Notes Securities Purchase Agreement with the Junior Convertible Note Purchasers providing for the issuance and sale by the Company of up to \$6.0 million aggregate principal amount of additional Junior Convertible Notes and warrants to purchase up to 5,000,000 shares of its common stock at an exercise price of \$0.40. Under the Junior Convertible Notes Securities Purchase Agreement, a Note Purchaser will be issued warrants equal to 83.33333333% of the principal amount of Junior Convertible Notes acquired. The additional Junior Convertible Notes and accompanying warrants may be sold from time to time to one or more Note Purchasers under the terms of the Junior Convertible Notes Securities Purchase Agreement. On April 29, 2021, the Company closed on the sale of additional Junior Convertible Notes in the aggregate principal amount of approximately \$1.8 million and warrants to purchase 1,490,000 shares of common stock under the Junior Convertible Notes Securities Purchase Agreement for an aggregate purchase price of \$1.5 million.

On June 19, 2021, the Company entered into the Omnibus Agreement, with holders of its previously outstanding Junior Convertible Notes, issued three new Junior Convertible Notes with an aggregate principal amount of \$17.3 million for a purchase price of \$5.0

million in cash and the surrender of 91.38 shares of Redeemable Preferred Stock and issued a new warrant to one of the Junior Convertible Note purchasers for the purchase of 5,000,000 shares of the Company's common stock at an exercise price of \$0.37 per share.

The Omnibus Agreement amended the Junior Convertible Notes Securities Purchase Agreement and previously outstanding Junior Convertible Notes and, among other changes:

- increased the aggregate principal amount of Junior Convertible Notes issuable under the Junior Convertible Notes Securities Purchase Agreement from \$6.0 million to \$24.0 million (plus the accrued in-kind interest that is subsequently added to the principal amount outstanding from time to time);
- increased the aggregate number of shares issuable upon the exercise of warrants to purchase common stock issuable under the Junior Convertible Notes Securities Purchase Agreement from 5,000,000 shares to 11,625,000 shares;
- added additional negative covenants that restrict the Company from selling any additional securities under the Junior Convertible Notes Securities Purchase Agreement to any new investors and from redeeming all or any portion of any Junior Convertible Notes unless the holders receive the stated premium;
- changed the conversion rate from 1,666.667 shares of common stock per \$1,000 in principal amount of Junior Convertible Notes converted to 2,702.702 shares of common stock per \$1,000 of principal converted;
- provides for accrued interest to be paid in-kind by adding such amounts to the outstanding principal balance, rather than paying such amounts in cash or the issuance of shares of common stock;
- revised the interest rate to 18% until the first interest payment date following the date on which the Company has filed all required periodic reports under the Exchange Act; and
- added a provision that at the request of holders of a majority of the outstanding Junior Convertible Notes and warrants issued under the Junior Convertible Notes Securities Purchase Agreement, the maturity date will be extended to October 1, 2027 from October 1, 2025.

Redeemable Preferred Stock

From December 24, 2019 to August 18, 2020, the Company issued 217.67 shares of Redeemable Preferred Stock. By their terms, the shares of Redeemable Preferred Stock were not convertible into or exchangeable for other securities of the Company. However, on various dates from July 17, 2020 through October 18, 2020, the Company entered into Exchange Agreements with all of the holders of Redeemable Preferred Stock (collectively, the "Exchange Agreements") that modified certain terms of the Redeemable Preferred Stock as described below.

Under the terms of the Exchange Agreements, the mandatory redemption date was extended and an exchange feature was added. Under the terms of the exchange feature, the Redeemable Preferred Stock is exchangeable for shares of the Company's common stock at either the option of the holder or the Company at any time prior to December 24, 2021, subject to the satisfaction of the following closing conditions:

- a. the Company obtaining Nasdaq Capital Market approval for the issuance of the shares upon the exchange,
- b. approval of the Company's stockholders for the issuance of such common stock, and
- c. the Company's ability to issue shares of common stock not subject to restrictions on resale.

The foregoing conditions can be waived by the Company and the holder. Certain other conditions to the exchange relating to the Company's common stock trading at a certain minimum price can only be waived by the holder, however, if the closing conditions are not met or waived by December 24, 2021, the Redeemable Preferred Stock is mandatorily redeemable in cash on December 25, 2021 at the stated value together with the 8% dividend and a 12.5% redemption premium.

The number of shares of the Company's common stock issuable to the holders upon exchange of the Redeemable Preferred Stock is determined by the application of a formula in which (i) the stated value of the shares of Redeemable Preferred Stock being exchanged plus the value of any accrued and unpaid dividends plus, with respect to certain agreed-upon shares of the Redeemable Preferred Stock, a premium of 12.5% on the stated value, is divided by (ii) the "conversion price." The conversion price for one holder that owns 62.0 shares of the Redeemable Preferred Stock is the lower of (i) \$0.60 and (ii) the greater of (x) the average daily volume-weighted average price per share of common stock during the five trading days before the closing of the conversion or (y) \$0.40. For the remaining holders the conversion price is \$0.70.

Based on the terms of the Exchange Agreements, if the associated shares of Redeemable Preferred Stock are not convertible into shares of common stock upon satisfaction or waiver of the various closing conditions by December 24, 2021, such shares of Redeemable Preferred Stock are then mandatorily redeemable for cash on December 25, 2021 in an amount equal to the stated value plus all accrued dividends and a redemption premium of 12.5%. Accordingly, as of the execution dates of the Exchange Agreements, the Company reclassified the Redeemable Preferred Stock from a liability to temporary equity outside of permanent equity in its unaudited condensed consolidated balance sheets. The Company will continue to accrue the 8% dividends and accrete the 12.5% redemption amount through December 25, 2021. From the execution dates of the Exchange Agreements through March 31, 2021, the Company has recorded the accrued 8% dividends and the accretion of the 12.5% redemption amount, totaling \$1.5 million, to common stock.

Cash Flows

The following table summarizes net cash provided by (used in) operating, investing, and financing activities for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Net cash used in operating activities	\$ (6,878)	\$ (3,046)
Net cash used in investing activities	(929)	(1,898)
Net cash provided by financing activities	1,618	3,732
Effect of exchange rate differences on cash, cash equivalents, and restricted cash	(8)	(69)
Decrease in cash, cash equivalents, and restricted cash	<u>\$ (6,197)</u>	<u>\$ (1,281)</u>

Cash flows from operating activities

Cash used in operating activities was \$6.9 million for the three months ended March 31, 2021, which was the result of a net loss of \$6.6 million for the period, adjusted for noncash transactions, including depreciation and amortization of \$2.4 million; allowance for doubtful accounts of \$0.4 million; the amortization of deferred financing costs and debt discount accretion of \$1.0 million; and share-based compensation of \$0.8 million; partially offset by the change in fair value of warrant and derivative liabilities of \$4.7 million; and \$0.2 million of cash used in changes in operating assets and liabilities.

Cash used in operating activities was \$3.0 million for the three months ended March 31, 2020, which was the result of a net loss of \$9.4 million for the period, adjusted for noncash transactions, including depreciation and amortization of \$2.6 million; allowance for doubtful accounts of \$0.3 million; the amortization of deferred financing costs and debt discount accretion of \$1.6 million; share-based compensation of \$2.4 million; and warrants issued for the settlement of debt of \$0.7 million; partially offset by gain on settlement of rental agreement of \$0.5 million; and \$0.7 million of cash used in changes in operating assets and liabilities.

Cash flows from investing activities

Cash used in investing activities was \$0.9 million and \$1.9 million for the three months ended March 31, 2021 and 2020, respectively. Cash used in investing activities in 2021 and 2020 is related to purchases of property, equipment, and software development, of which fewer such purchases were made in the three months ended March 31, 2021 due to liquidity constraints.

Cash flows from financing activities

Cash provided by financing activities was \$1.6 million for the three months ended March 31, 2021, primarily from the issuance of the Junior Convertible Note totaling \$2.0 million, partially offset by \$0.2 million of financing-related fees and \$0.2 million for the repayment of loans.

Cash provided by financing activities was \$3.7 million for the three months ended March 31, 2020, primarily from the issuance of Redeemable Preferred Stock totaling \$4.2 million, partially offset by \$0.2 million of financing-related fees and \$0.2 million for the repayment of loans.

Effect of exchange rate differences on cash, cash equivalents, and restricted cash

Effect of exchange rates on cash, cash equivalents, and restricted cash for the three months ended March 31, 2021 was an immaterial loss compared to a loss of \$0.1 million for the three months ended March 31, 2020.

Off-Balance Sheet Arrangements

The Company has entered into certain off-balance sheet commitments that require the future purchase of goods or services ("unconditional purchase obligations"). The Company entered into the Connectivity Agreement with 3UK on July 23, 2019. Under the Connectivity Agreement, the Company is obligated to pay 3UK \$0.7 million dollars for the implementation of the 3UK MVNO, and for monthly services provided, based on usage, after the 3UK MVNO is launched, which management anticipates to be in the third quarter of 2021. On February 19, 2021, the Company and 3UK amended the Connectivity Agreement to eliminate some of the invoicing functionality of the 3UK MVNO, which reduces the Implementation Fee to \$0.5 million. The Implementation Fee is payable upon the satisfactory completion of certain agreed upon milestones. As of March 31, 2021, two of those milestones had been achieved and \$0.2 million of the Implementation Fee remains outstanding.

Concurrent with the execution of the Connectivity Agreement, the Company entered into the Credit Voucher Agreement with PCCW under which the Company is obligated to purchase a credit voucher for \$34.4 million. The credit voucher will be used to offset certain monthly service charges incurred under the Connectivity Agreement. As of March 31, 2021, the Company has paid \$0.4 million of the purchase price and \$0.3 million of the purchase price has been recorded in accrued expenses and other payables in the unaudited condensed consolidated balance sheet. The remaining \$33.7 million unconditional purchase obligation is due and payable following

the launch date of the 3UK MVNO, where after the Company is required to remit the amount of the credit voucher used to offset monthly charges incurred under the Connectivity Agreement to PCCW each quarter.

See Note 12. *Commitments and Contingencies* in the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of this Report for additional information about these off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a “smaller reporting company” as defined by Regulation S-K and, as such, are not required to provide the information contained in this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2021, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s principal executive officer and principal financial and accounting officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act. Based on the evaluation, the Company’s principal executive officer and principal financial and accounting officer have concluded that, in light of the previously disclosed material weaknesses described below, the Company’s disclosure controls and procedures were not effective as of March 31, 2021.

Changes in Internal Control Over Financial Reporting

We previously identified and disclosed in our 2020 Annual Report material weaknesses related to:

- Entity-level controls were not effective due to certain executive management “tone at the top” issues, which contributed to an ineffective control environment and to deficiencies aggregating to material weaknesses;
- Inadequate and ineffective management assessment of internal control over financial reporting due to unremediated design weaknesses;
- Ineffective design, implementation, and monitoring of information technology general controls pertaining to the Company’s change management and security process;
- The Company not having sufficient finance and information technology department resources to effectively assess risk and design, operate, and oversee effective internal controls over financial reporting while maintaining proper segregation of duties, which contributed to the failure in the effectiveness and adequate identification of certain controls including:
 - Inadequate retention of key documentation evidencing execution of internal controls;
 - Improper and untimely recognition of revenue for prior year end and interim periods for certain customers in accordance with ASC 606, leading to the restatement of our financial statements for the fiscal year ended December 31, 2018 and the interim periods contained therein (the “2018 Restatement”) and 2019 interim period restatements;
 - Incorrect accounting of share-based compensation for awards granted to employees and nonemployees, and of extinguishment of Redeemable Preferred Stock;
 - Not applying appropriate foreign currency translations during prior years impacting the account valuation of property, equipment, and software development;
 - Failing to identify and account for operating leases in accordance with ASC 842, *Leases*; and
 - Proper capitalization of software identified during review of projects.

Management and the Company’s board of directors have been implementing and continue to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented and operating effectively.

The Audit Committee of the Company’s board of directors, with the assistance of independent legal counsel and a separate independent accounting firm, took action to immediately begin investigating the causes of the circumstances leading to the 2018 Restatement, the restatements of our financial statements for the first and second quarters of 2019, and the delay in our 2019 filings as soon as the board, upon the recommendation of the Audit Committee, and after consultation with management and the auditors, concluded that the Company’s financial statements and other reports could not be relied upon. As a result of this independent investigation and related deliberations, the board of directors terminated or otherwise separated the executive officers who served during the time period of the conduct that gave rise to the Company’s need to effect the 2018 Restatement. The Company has also taken and will continue to take significant and comprehensive remedial actions in response to the conduct and other factors that led to the 2018 Restatement and delay in 2019 filings, including actions to begin to remediate the material weaknesses in internal control over financial reporting. Remediation actions already implemented include (i) a thorough review and documentation of all processes involved in our financial reporting to ensure that there is segregation of duties; (ii) documented review processes in place that occur at appropriate intervals throughout the year that cover all elements of the Company’s financial reporting. This includes, but is not limited to, testing samples

and documenting that the testing has occurred with the results of the findings reported to senior management at appropriate intervals and continuously making improvements to our processes, as necessary.

To address ineffective design, implementation, and monitoring of information technology general controls pertaining to the Company's change management and security process, the Company (iii) is implementing information technology policies that govern change management and security procedures; (iv) will institute sample testing of changes made in our reporting system to ensure the documented policies are being followed and report the results of these tests to senior management in regular appropriate intervals; (v) added personnel who have information technology control oversight and support roles; and (vi) will enhance our quarterly reporting on the remediation measures to the Audit Committee of the board of directors.

Additionally, to ensure the Company maintains a strong internal control environment and to remediate the additional material weakness in internal controls over financial reporting identified in this Report, the Company: (vii) has added resources responsible for the execution and oversight of accounting and finance operations; (viii) is designing and implementing enhancements to internal controls over financial reporting including those related to sales processing, revenue recognition, equity accounting, and accounting for leases; (ix) has implemented a periodic review of financial reports and month-over-month balances with the purpose of identifying and investigating fluctuations and discrepancies in key accounts and transactions; (x) implemented uniform processes across all business entities with the emphasis on sound control practices; (xi) will provide training to its finance and sales staff and key personnel on the appropriate guidelines to account for revenue in the telecom industry and emphasizing the importance of adherence to policies and procedures; and (xii) implemented a new application to manage equity.

We believe that these actions will remediate the material weaknesses. While we have taken measures to strengthen our internal controls related to these additional material weaknesses, we have not fully completed our assessment. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

As our management continues to evaluate and work to improve our disclosure controls and procedures and internal control over financial reporting, we may determine to take additional measures to address these deficiencies or determine to modify certain of the remediation measures described above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

As of the date of the filing of this Report, Pareteum and its subsidiaries are currently defendants in various legal actions and asserted claims arising in the normal course of business. We anticipate that we will become involved in new litigation matters from time to time in the future. We will incur legal and related costs concerning litigation and may, from time to time, determine to settle some or all of the cases, regardless of the assessment of our legal position. The amount of legal defense costs and settlements in any period will depend on many factors, including the status of cases, the number of cases that are in trial or about to be brought to trial, and the opposing parties' aggressiveness in pursuing their cases and their perception of their legal position. For information concerning material litigation actions and proceedings against the Company, see Note 12. *Commitments and Contingencies* in the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of this Report, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the Risk Factors included in Part I, Item 1A. — “*Risk Factors*” of our 2020 Annual Report. These risk factors could materially impact our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely impact our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Other than as set forth below or as previously disclosed in our filings with the SEC, we did not sell any equity securities during the three months ended March 31, 2021 in transactions that were not registered under the Securities Act. The issuance of securities in the transactions described below were each exempt from registration under Section 4(a)(2) of the Securities Act and/or Rule 506 promulgated thereunder.

During the quarter ended March 31, 2021, the Company issued 1,864,584 shares of its common stock in an unregistered transaction in connection with the payment of interest due under the Senior Convertible Note. The Company determined the issuance of these shares to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act as a transaction not involving a public offering. The shares are deemed to be restricted securities for purposes of the Securities Act.

Item 3. Defaults upon Senior Securities.

As previously disclosed, upon its entry into each of the Forbearance Agreement on November 30, 2020 (as subsequently amended) and the New Forbearance Agreement on May 24, 2021, the Company admitted that it was in default of several obligations under the Senior Convertible Note and the related securities purchase agreement, including as a result of:

- a. the Company's failure to have caused either (i) the conversion or exchange of all shares of the Redeemable Preferred Stock into shares of the common stock or (ii) the extension of any mandatory redemption date, final maturity date or other applicable repurchase obligation with respect to such Redeemable Preferred Stock by the October 1, 2020 deadline required under the Senior Convertible Note;
- b. the Company's failure to have obtained the approval of its stockholders of the issuance of the shares of common stock underlying the Senior Convertible Note and the related warrant by October 31, 2020, as required by the Senior Convertible Note and the related securities purchase agreement;
- c. the Company's failure to have timely filed all reports required to be filed with the SEC pursuant to the Exchange Act, as required by the Senior Convertible Note and the related securities purchase agreement;
- d. the suspension from trading and failure of the common stock to be listed for trading on an eligible national securities exchange for a period of three consecutive trading days, as prohibited by the Senior Convertible Note;
- e. the Company's failure to have filed restated financial statements with the SEC for (A) the fiscal year ended December 31, 2018, (B) the quarter ended March 31, 2019 and (C) the quarter ended June 30, 2019, in each case on or prior to the October 31, 2020 deadline under the Senior Convertible Note;
- f. the Company's failure to have provided notice of the above and other events of default under the Senior Convertible Note and the related warrant and securities purchase agreement; and
- g. the Company's failure to have maintained the minimum liquidity required by the Senior Convertible Note since the lender's foreclosure on \$6.0 million previously maintained in a blocked account.

In addition, the Company had not made required payments of interest under the Senior Convertible Note of (i) \$0.3 million on April 1, 2021 or (ii) \$0.2 million on May 1, 2021. Under the New Forbearance Agreement, the lender acknowledged such defaults and agreed not to exercise any right or remedy under the Senior Convertible Note or the related securities purchase agreement, warrant or security documents, including its right to accelerate the aggregate amount outstanding under the Senior Convertible Note, until the Outside Date, as the same is extended from time to time under the terms of the New Forbearance Agreement.

Additionally, the parties also agreed that the principal amount outstanding under the Senior Convertible Note would be increased by certain paid-in-kind amounts in full satisfaction of the Company's obligation to make payments of interest to the lender on each of April 1, 2021 and May 1, 2021, which amounts were not paid by the Company in cash or common stock. In consideration of the

lender's agreement to enter into the New Forbearance Agreement and agree to certain amendments to the Senior Convertible Note, the Company agreed to pay the lender a fee in the amount of \$1.5 million. Accordingly, following these increases in the principal amount payable, but applying against the outstanding principal and such fee the \$6.0 million previously maintained in certain blocked accounts against that was foreclosed upon by the lender, the total amount of principal outstanding under the Senior Convertible Note as of the date of the New Forbearance Agreement was approximately \$13.5 million. As of the date of this Report, the total amount of principal outstanding under the Senior Convertible Note is approximately \$14.1 million.

On August 16, 2021, High Trail provided notice to the Company that the Outside Date was not being extended, and accordingly, High Trail's agreement to forbear taking any actions with respect to the Company's defaults terminated on August 23, 2021.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits

- [10.1](#) [Letter agreement, dated as of January 4, 2021, between Pareteum Corporation and High Trail Investments SA LLC \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated January 4, 2021\).](#)
- [10.2](#) [Letter agreement, dated as of February 1, 2021, between Pareteum Corporation and High Trail Investments SA LLC \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated February 1, 2021\).](#)
- [10.3](#) [Senior Second Lien Secured Convertible Note, dated February 22, 2021, made by Pareteum Corporation \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated February 22, 2021\).](#)
- [10.4](#) [Securities Purchase Agreement, dated as of February 22, 2021, between Pareteum Corporation and B.M.F. De Kroes-Brinkers \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated February 22, 2021\).](#)
- [10.5](#) [Warrant to Purchase Common Stock, dated February 22, 2021, issued by Pareteum Corporation \(incorporated by reference to Exhibit 10.3 to Pareteum Corporation's current report on Form 8-K dated February 22, 2021\).](#)
- [10.6](#) [Letter agreement, dated as of March 1, 2021, between Pareteum Corporation and High Trail Investments SA LLC \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated March 1, 2021\).](#)
- [31.1](#) [Certification of the principal executive officer pursuant to Rule 13a-14\(a\) or Rule 15\(d\)-14\(a\).](#)
- [31.2](#) [Certification of the principal financial and accounting officer pursuant to Rule 13a-14\(a\) or Rule 15\(d\)-14\(a\).](#)
- [32.1](#) [Certification pursuant to 18 U.S.C. §1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- [32.2](#) [Certification pursuant to 18 U.S.C. §1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

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 thereunto duly authorized.

PARETEUM CORPORATION

Date: August 26, 2021

By /s/ Bart Weijermars

Bart Weijermars
Interim Chief Executive Officer
(Principal Executive Officer)

Date: August 26, 2021

By /s/ Laura W. Thomas

Laura W. Thomas
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT T-18

[Pareteum's Registration Statement]

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

Elephant Talk Communications, Inc.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

- ☐ Fee paid previously with preliminary materials.
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:



July 26, 2011

To the Stockholders of Elephant Talk Communications, Inc.:

Elephant Talk Communications, Inc. (the “**Company**”) is pleased to send you the enclosed notice of the 2011 Annual Meeting of Stockholders of the Company (the “**Meeting**”) to be held at 9:00 a.m. on Wednesday, September 14, 2011 at the offices of Ellenoff Grossman & Schole LLP, 150 East 42nd Street, 11th Floor, New York, New York, 10017.

At the Annual Meeting, you will be asked to consider and vote upon: (1) the election of directors; (2) the approval of our change in corporate domicile from California to Delaware; (3) the approval of an increase to the number of shares of common stock available for issuance under the Company’s 2008 Long-Term Incentive Compensation Plan; (4) the ratification of BDO Seidman LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011, and (5) the transaction of any other business that may properly come before the meeting or any adjournment of the meeting. No other items of business are expected to be considered at the meeting and no other director nominees will be entertained, pursuant to the Company’s bylaws.

The accompanying Proxy Statement more fully describes the details of the business to be conducted at the Annual Meeting. After careful consideration, our Board of Directors has unanimously approved the proposals and recommends that you vote FOR each nominee and proposal described in the Proxy Statement.

This year we are pleased to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. We believe these rules allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting

Your vote is important—please date, sign and return your proxy card in the enclosed envelope or vote online as soon as possible to ensure that your shares will be represented and voted at the Meeting even if you cannot attend. If you attend the Meeting, you may vote your shares in person even though you have previously signed and returned your proxy.

Sincerely yours,

Steven van der Velden
President and Chief Executive Officer
Elephant Talk Communications, Inc.

**19103 CENTRE ROSE BOULEVARD
LUTZ, FL 33558
UNITED STATES**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on Wednesday, September 14, 2011**

To the stockholders of Elephant Talk Communications, Inc.:

The annual meeting of stockholders of Elephant Talk Communications, Inc. will be held at 9:00 a.m. (Eastern Standard Time) on Wednesday, September 14, 2011 at the offices of Ellenoff Grossman & Schole LLP, which are located at 150 East 42nd Street, 11th Floor, New York, New York 10017, for the following purposes:

1. To elect seven Directors for a term expiring at the Company's next annual meeting, or until their successors are duly elected and qualified;
2. The approval of our change in corporate domicile from California to Delaware;
3. Approve an increase to the number of shares of common stock available for issuance under the Company's 2008 Long-Term Incentive Compensation Plan by 18,000,000, from 5,000,000 to 23,000,000;
4. To ratify the appointment of BDO Seidman LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.
5. To transact such other business as may properly come before the meeting or any adjournment or postponements thereof.

The above matters are set forth in the proxy statement attached to this notice to which your attention is directed.

This year we are pleased to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. We believe these rules allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. If you are a stockholder of record at the close of business on July 21, 2011, you are entitled to vote at the Meeting or any adjournment or postponement of the Meeting. This notice is first being mailed to stockholders on or about August 2, 2011.

BY ORDER OF THE BOARD OF DIRECTORS,

Alex Vermeulen
Secretary

Dated: July 26, 2011
Schiphol, The Netherlands

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE ON THE INTERNET OR OVER THE TELEPHONE AS INSTRUCTED IN THE NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS AND ON THE PROXY CARD OR, IF YOU REQUESTED AND RECEIVED A PRINTED COPY OF THE PROXY STATEMENT, COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD USING THE ENCLOSED RETURN ENVELOPE, AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN A PROXY CARD ISSUED IN YOUR NAME FROM THAT RECORD HOLDER.

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**ELEPHANT TALK COMMUNICATIONS INC.
19103 CENTRE ROSE BOULEVARD
LUTZ, FL 33558**

813 926 8920

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

**to be held on Wednesday, September 14, 2011, 9:00 a.m.
Offices of Ellenoff Grossman & Schole LLP
150 East 42nd Street, 11th Floor
New York, NY 10017**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Elephant Talk Communications, Inc.. (the **“Company”**) for use at the Company’s 2011 annual meeting of shareholders, to be held at the offices of Ellenoff Grossman & Schole LLP, located at 150 East 42nd Street, New York, NY, 10017, on Wednesday, September 14, 2011, at 9:00 a.m. local time. We intend to mail a Notice Regarding the Availability of Proxy Materials (the **“Notice”**) to our shareholders on or about August 2, 2011.

The Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice will also instruct you as to how you may submit your proxy on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

For a proxy to be effective, it must be properly executed and received prior to the annual meeting. Each proxy properly tendered will, unless otherwise directed by the shareholder, be voted for the proposals and nominees described in this proxy statement and at the discretion of the proxy holder(s) with regard to all other matters that may properly come before the meeting.

The Company will pay all of the costs of soliciting proxies. We will provide copies of our proxy materials to brokerage firms, fiduciaries and custodians for forwarding to beneficial owners who request printed copies of these materials and will reimburse these persons for their costs of forwarding these materials. Our directors, officers and employees may also solicit proxies by telephone, facsimile, or personal solicitation; however, we will not pay them additional compensation for any of these services.

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS

Why am I receiving this proxy statement?

This proxy statement describes the proposals on which our Board of Directors would like you, as a stockholder, to vote at our annual meeting of the stockholders, which will take place on Wednesday, September 14, 2011 at 9:00 a.m. local time at the offices of Ellenoff Grossman & Schole LLP, which are located at 150 East 42nd Street, 11th Floor, New York, New York 10017.

The Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice will also instruct you as to how you may submit your proxy on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

This proxy statement also gives you information on these proposals so that you can make an informed decision. We intend to mail this proxy statement and accompanying proxy card on or about August 2, 2011 to all stockholders of record entitled to vote at the annual meeting.

In this proxy statement, we refer to Elephant Talk Communications Corp. as the “Company”, “we”, “us” or “our.”

Who can vote at the annual meeting of stockholders?

Stockholders who owned shares of our common stock, no par value per share (“**Common Stock**”), on July 21, 2011 (the “**Record Date**”) may attend and vote at the Meeting. Each share is entitled to one vote. There were 105,048,287 shares of Common Stock outstanding on the Record Date. All shares of Common Stock shall have one vote per share and vote together as a single class except that holders of Common Stock have the right to cumulative voting in the election of directors, as described herein under the heading “Voting of Shares”. Information about the stockholdings of our directors and executive officers is contained in the section of this proxy statement entitled “Beneficial Ownership of Principal Stockholders, Officers and Directors” on page 57 of this proxy statement.

What is the proxy card?

The proxy card enables you to appoint Steven van der Velden, our President and Chief Executive Officer, and/or Sarah Williams, counsel to the Company, as your representative at the Meeting. By completing and returning the proxy card or voting online as described herein, you are authorizing these persons to vote your shares at the annual meeting in accordance with your instructions on the proxy card. This way, your shares will be voted whether or not you attend the annual meeting. Even if you plan to attend the annual meeting, we think that it is a good idea to complete and return your proxy card before the annual meeting date just in case your plans change. If a proposal comes up for vote at the annual meeting that is not on the proxy card, the proxies will vote your shares, under your proxy, according to their best judgment.

What am I voting on?

You are being asked to vote on: (i) the election of Steven van der Velden, Martin Zuurbier, Jacques D. Kerrest, Johan Dejager, Roderick de Greef, Phil Hickman and Rijkman Groenik, as directors of the Company, for a term expiring at the Company's next annual meeting, or until their successors are duly elected and qualified, (ii) the approval of our change in corporate domicile from California to Delaware, (iii) to adopt an amendment to our 2008 Long-Term Incentive Compensation Plan and (iv) the ratification of our independent registered public accounting firm for the fiscal year ending December 31, 2011.

How does the Board of Directors recommend that I vote?

Our Board of Directors unanimously recommends that the stockholders vote "FOR" all proposals being put before our stockholders at the Meeting and for all of the nominees.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our stockholders hold their shares in an account at a brokerage firm, bank or other nominee holder, rather than holding share certificates in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If, on the Record Date, your shares were registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, you are a "stockholder of record" who may vote at the annual meeting, and we are sending these proxy materials directly to you. As the stockholder of record, you have the right to direct the voting of your shares by returning the enclosed proxy card to us or to vote in person at the annual meeting. Whether or not you plan to attend the annual meeting, please complete, date and sign the enclosed proxy card to ensure that your vote is counted.

Beneficial Owner

If, on the Record Date, your shares were held in an account at a brokerage firm or at a bank or other nominee holder, you are considered the beneficial owner of shares held "in street name," and these proxy materials are being forwarded to you by your broker or nominee who is considered the stockholder of record for purposes of voting at the annual meeting. As the beneficial owner, you have the right to direct your broker on how to vote your shares and to attend the annual meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the annual meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder. To obtain a valid proxy, you must make a special request of your brokerage firm, bank or other nominee holder. If you do not make this request, you can still vote by using the voting instruction card enclosed with this proxy statement; however, you will not be able to vote in person at the annual meeting.

How do I vote?

(1) **You may vote by mail.** You may vote by mail by completing, signing and dating your proxy card and returning it in the enclosed, postage-paid and addressed envelope. If we receive your proxy card prior to the annual meeting and if you mark your voting instructions on the proxy card, your shares will be voted:

- as you instruct, and

- according to the best judgment of the proxies if a proposal comes up for a vote at the annual meeting that is not on the proxy card.

If you return a signed card, but do not provide voting instructions, your shares will be voted:

- for Messrs. van der Velden, Zuurbier, Kerrest, Dejager, de Greef, Hickman and Groenink as nominees for directors of our Board of Directors;
- to approve the change in our corporate domicile from California to Delaware;
- to adopt an amendment to our 2008 Long –Term Compensation Incentive Plan;
- to ratify the appointment of BDO Seidman, L.L.P as our independent registered public accounting firm for the fiscal year ending December 31, 2011; and
- according to the best judgment of Mr. van der Velden or Ms. Williams, if a proposal comes up for a vote at the annual meeting that is not on the proxy card.

(2) **You may vote in person at the annual meeting.** We will pass out written ballots to anyone who wants to vote at the annual meeting. However, if you hold your shares in street name, you must bring to the annual meeting a valid proxy from the broker, bank or other nominee holding your shares that confirms your beneficial ownership of the shares and gives you the right to vote your shares. Holding shares in street name means you hold them through a brokerage firm, bank or other nominee, and therefore the shares are not held in your individual name. We encourage you to examine your proxy card closely to make sure you are voting all of your shares in the Company.

(3) **You may vote online.** You may also have access to the materials for the Meeting by visiting the website <http://www.cstproxy.com/elephanttalk/2011> . You may also cast your vote by visiting <http://www.cstproxyvote.com>.

What does it mean if I receive more than one proxy card?

You may have multiple accounts at the transfer agent and/or with brokerage firms. Please sign and return all proxy cards to ensure that all of your shares are voted.

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the annual meeting. You may do this by:

- sending a written notice to the Secretary of the Company stating that you would like to revoke your proxy of a particular date;
- signing another proxy card with a later date and returning it before the polls close at the annual meeting; or
- attending the annual meeting and voting in person.

Please note, however, that if your shares are held of record by a brokerage firm, bank or other nominee, you must instruct your broker, bank or other nominee that you wish to change your vote by following the procedures on the voting form provided to you by the broker, bank or other nominee. If your shares are held in street name, and you wish to attend the annual meeting and vote at the annual meeting, you must bring to the annual meeting a legal proxy from the broker, bank or other nominee holding your shares, confirming your beneficial ownership of the shares and giving you the right to vote your shares.

Will my shares be voted if I do not sign and return my proxy card?

If your shares are held in street name or in your name and you do not sign and return your proxy card, your shares will not be voted unless you vote in person at the annual meeting.

How are votes counted?

You may vote “for,” “against,” or “abstain” on each of the proposals being placed before our stockholders.

How many votes are required to elect Messrs. Van der Velden, Zuurbier, Kerrest, Dejager, De Greef, Hickman and Groenink as directors?

For the election of directors, cumulative voting is available upon proper notice of a stockholder’s intention to do so. Under cumulative voting, you would have seven votes for each share of common stock you own. You may cast all of your votes for one candidate, or you may distribute your votes among different candidates as you choose. However, you may cumulate votes (cast more than one vote per share) for a candidate only if the candidate is nominated before the voting and at least one shareholder gives notice at the meeting, before the voting, that he or she intends to cumulate votes. If you do not specify how to distribute your votes, by giving your proxy you are authorizing the proxyholders (the individuals named on your proxy card) to cumulate votes in their discretion. The six persons properly placed in nomination at the meeting and receiving the most affirmative votes will be elected as directors.

How many votes are required to approve the change in the Company’s domicile from California to Delaware?

The affirmative vote of holders of a majority of the shares of ETAK’s Common Stock outstanding as of the record date is required to approve the Agreement and Plan of Merger. In addition, the principal terms of the Agreement and Plan of Merger have been approved by the Board of Directors and sole stockholder of ETAK (Delaware).

Because the vote is based on the total number of shares outstanding rather than the votes cast at the Special Meeting, your failure to vote on the Agreement and Plan of Merger has the same effect as a vote against the Reincorporation. As of the record date, directors and executive officers of ETAK currently own 19,580,292 shares of ETAK Common Stock, which is 18.64% of the outstanding shares. We expect that the directors and executive officers will vote all their shares in favor of the Reincorporation.

As of the Record Date, 105,048,287 shares of common stock were issued and outstanding, which is our only class of outstanding voting securities. Therefore, to adopt the Reincorporation Proposal, the affirmative vote of at least 52,524,145 shares of our Common Stock is necessary to approve and adopt the Reincorporation Proposal.

How many votes are required to adopt an amendment to the Company's 2008 Long-Term Incentive Compensation Plan?

The adoption of the amendment to the 2008 Stock Incentive Plan will require an affirmative vote of the majority of the votes cast in person or by proxy, provided that a quorum is present at the Meeting. Therefore, abstentions and broker non-votes will have no effect on the vote to amend the 2008 Stock Incentive Plan.

How many votes are required to ratify the Company's independent public accountants?

The affirmative vote of a majority of the votes cast at the meeting of the stockholders by the holders of shares of Common Stock entitled to vote are required to ratify BDO Seidman, L.L.P as our independent registered public accounting firm for the year ending December 31, 2011. Brokers who hold shares in street name may vote on behalf of beneficial owners with respect to this proposal.

How will voting on any other business be conducted?

Although we do not know of any business to be conducted at the Annual Meeting other than the proposal described in this proxy statement, if any other business comes before the Annual Meeting, your signed proxy card gives authority to the proxy holders to vote on those matters at their discretion.

What happens if I don't indicate how to vote my proxy?

If you just sign your proxy card without providing further instructions, your shares will be counted as a "for" vote for all of the proposals being placed before our stockholders at the Meeting and in favor of all nominees.

Where do I find the voting results of the annual meeting?

We will announce voting results at the annual meeting.

Why is the Company electing to reincorporate from California to Delaware?

The Board of Directors believes that the Reincorporation in Delaware will give the Company enhanced flexibility and a greater measure of flexibility in corporate governance than is currently available in California law, and will help the Company attract and retain its directors and officers. The Company's Board of Directors also believes Delaware's corporate laws are generally more modern, flexible, highly developed and more predictable than California's corporate laws. Delaware corporate laws are also periodically revised to be responsive to the changing legal and business needs of corporations. For this reason, many public corporations have initially incorporated in Delaware or have changed their corporate domiciles to Delaware in a manner similar to that proposed by the Company. The principal reasons for the Reincorporation are described in greater detail on page 9 of this Proxy Statement under the heading "*Principal Reasons for the Reincorporation*".

Will the Company change its name as a result of the Reincorporation?

No. The Company will retain the name "Elephant Talk Communications, Inc." but will be incorporated under the laws of the state of Delaware.

Will the Reincorporation change the business of Elephant Talk?

No. The Reincorporation will not change the current business of the Company. Following the Reincorporation, Elephant Talk will continue to design, develop, market, distribute and support enterprise systems management software. The principal executive offices will remain located at 19103 Centre Rose Boulevard Lutz, FL, 33558. Only the Company's state of incorporation will change.

Will Elephant Talk have the same directors and executive officers that the Company currently has following the Reincorporation?

Yes. The executive officers and members of the Board of Directors will not change as a result of the Reincorporation.

As a shareholder of Elephant Talk, do I have appraisal rights if I object to the Reincorporation?

No appraisal rights are available to shareholders of Elephant Talk under the California statutes in connection with the Reincorporation proposal set forth herein.

Who Are the Parties to the Reorganization?

Elephant Talk Communications, Inc., a California Corporation

Elephant Talk is an international provider of business software and services to the telecommunications and financial services industries. Elephant Talk provides global telecommunication companies, mobile network operators, banks, supermarkets, consumer product companies, media firms, and other businesses a full suite of products and services that enables them to fully provide telecom services as part of their business offerings. The company offers various dynamic products that include remote health care, credit card fraud prevention, mobile internet ID security, multi-country discounted phone services, loyalty management services, and a whole range of other emerging customized mobile services. Elephant Talk Communications Inc. was formed in 2001 as a result of a merger between Staruni Corporation (USA, 1962) and Elephant Talk Limited (Hong Kong, 1994). Staruni Corporation - named Altius Corporation, Inc., until 1997 - was a web developer and Internet Service Provider since 1997 following its acquisition of Starnet Universe Internet Inc. Elephant Talk Limited (Hong Kong) began operating in 1994 as an international long distance services provider, specializing in international call termination into China. In 2006 Elephant Talk Communications, Inc., decided to abandon its strategy of focusing on international calls into China. In 2000 Staruni Corporation became a reporting company on the OTC Bulletin Board under the symbol "SRUN", replaced by "ETLK" following the merger with Elephant Talk Limited (Hong Kong), and in turn changed to "ETAK" pursuant to a 2008 stock-split.

Elephant Talk Communications Corp., a Delaware Corporation

Elephant Talk Communications Corp., a Delaware corporation ("ETAK (Delaware)"), is a recently formed and wholly-owned subsidiary of ETAK. ETAK (Delaware) was formed for the sole purpose of effecting the Reincorporation. Pursuant to the Agreement and Plan of Merger, attached as Appendix A to this Proxy Statement, ETAK will merge with and into ETAK (Delaware) to effect the Reincorporation, with ETAK (Delaware) as the surviving entity. ETAK (Delaware) presently has no operating history and has nominal assets, liabilities and capitalization.

The principal place of business of each of ETAK and ETAK (Delaware) is located at 19103 Centre Rose Boulevard Lutz, FL, 33558. The telephone number for each is (813) 926 8920

What are the Principal Terms of the Reincorporation?

Pursuant to the Reincorporation Agreement:

- ETAK will merge with and into ETAK (Delaware), with ETAK (Delaware) as the surviving corporation;
- The obligations of ETAK will become the obligations of ETAK (Delaware);
- The separate corporate existence of ETAK in California will cease upon the effectiveness of the merger;
- The business of ETAK will continue unaffected and unimpaired by the Reincorporation;
- Each outstanding share of ETAK common stock will automatically be converted into one share of ETAK (Delaware) common stock at the same exercise price;
- Each ETAK warrant will become a right to purchase the same number of shares of ETAK (Delaware);
- ETAK (Delaware) will assume ETAK's stock option plans as well as its other employee incentive plans, including the 2008 Incentive Plan;
- The existing holders of ETAK common stock will own all of the outstanding shares of ETAK (Delaware) common stock and no change in ownership will result from the Reincorporation;
- ETAK (Delaware) common stock will continue to be traded on the Nasdaq Global Select Market under the symbol "QSFT," the current symbol of the Company; and
- The directors and executive officers of ETAK will be the directors and executive officers of ETAK (Delaware).

When is the Reincorporation Expected to be Completed?

ETAK expects that the Reincorporation will close promptly after the approval at the Annual Meeting.

What if the principal terms of the merger agreement are not approved by ETAK's shareholders?

The merger and Reincorporation transaction will not occur and you will continue to hold shares of ETAK's Common Stock and ETAK will continue to be incorporated in the State of California.

Does the Reincorporation affect my ownership or percent of ownership in the Company?

No. Upon consummation of the merger effecting the Reincorporation, each outstanding share of ETAK Common Stock will automatically be converted into one share of common stock of the surviving corporation in the merger, ETAK (Delaware), the shares of ETAK (Delaware) Common Stock held by ETAK will be cancelled, and no additional shares will be issued in the merger. Therefore, the number of shares and the percentage of ownership you hold in the Company will not be changed by virtue of the Reincorporation.

How does the Board of Directors recommend that I vote?

ETAK's Board of Directors has unanimously approved the principal terms of the Agreement and Plan of Merger and Reincorporation and recommends that you vote your shares **"FOR"** approval of the Reincorporation Proposal.

How are abstentions and broker non-votes treated?

The presence at the Special Meeting, either in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the Special Meeting shall constitute a quorum for the transaction of business. ETAK intends to include abstentions and broker non-votes (i.e., shares held in "street name" as to which voting instructions have not been received from the beneficial owners or persons entitled to vote) as present or represented for purposes of establishing a quorum. Since the Reincorporation must be approved by a majority of the outstanding shares of common stock, abstentions and broker non-votes will have the effect of a vote against the Reincorporation. "Broker non-votes," will have no effect on the outcome of the vote with respect to Proposals 1 and 3. Proposal 2 must be approved by a majority of the outstanding shares. As a result, abstentions and broker non-votes on this proposal will have the same effect as a "no" vote. Brokers who hold shares in street name may vote on behalf of beneficial owners with respect to Proposal 4.

Will the common stock of ETAK (Delaware) be publicly traded?

Yes. After the Reincorporation, ETAK's Common Stock will no longer be listed on The OTCBB, but ETAK (Delaware)'s common stock will be listed on The OTCBB for trading under ETAK's current symbol "ETAK". ETAK will not complete the Reincorporation unless and until ETAK (Delaware)'s common stock is approved for listing on the OTCBB.

Who can help answer my questions?

You can contact our Secretary, Mr. Alex Vermeulen, at legal@elephanttalk.com or by sending a letter to Mr. Vermeulen at offices of the Company at 19103 Centre Rose Boulevard, Lutz, FL 33558, with any questions about proposals described in this proxy statement or how to execute your vote.

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ELEPHANT TALK COMMUNICATIONS, INC.

19103 CENTRE ROSE BOULEVARD

LUTZ, FL 33558

PROXY STATEMENT

INTRODUCTION

2011 Annual Meeting of Stockholders

This Proxy Statement is being furnished to holders of shares of common stock, no par value (the “**Common Stock**”) of Elephant Talk Communications, Inc., a California corporation (the “**Company**”), in connection with the solicitation of proxies by the Board of Directors of the Company (the “**Board of Directors**”) for use at the 2011 Annual Meeting of Stockholders of the Company (the “**Meeting**”). The Meeting is to be held at the offices of Ellenoff Grossman & Schole LLP, located at 150 East 42nd Street, New York, NY, 10017, on Friday, September 14, 2011, at 9:00 a.m. local time and at any adjournment or adjournments thereof.

Record Date; Mailing Date

The Board of Directors has fixed the close of business on July 21, 2011 (the “**Record Date**”) as the record date for the determination of stockholders entitled to notice of, and to vote and act at, the Meeting. Only stockholders of record at the close of business on that date are entitled to notice of, and to vote and act at, the Meeting. We intend to mail a Notice Regarding the Availability of Proxy Materials (the “**Notice**”) to our shareholders on or about August 2, 2011. The Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice will also instruct you as to how you may submit your proxy on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

Proposals to be Submitted at the Meeting

At the Meeting, Stockholders will be acting upon the following proposals:

1. To elect seven Directors for a term expiring at the Company's next annual meeting, or until their successors are duly elected and qualified;
2. The approval of our change in corporate domicile from California to Delaware;
3. To adopt an amendment to our 2008 Long-Term Incentive Plan;
4. To ratify the appointment of BDO Seidman LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponements thereof.

Principal Offices

The principal executive offices of the Company are located at 19103 Centre Rose Boulevard, Lutz, FL, 33558. The Company's telephone number at such address is (813) 926 8920.

Information Concerning Solicitation and Voting

As of the Record Date, there were 105,048,287 outstanding shares of Common Stock, each share entitled to one vote on each matter to be voted on at the Annual Meeting. Only holders of shares of Common Stock on the Record Date will be entitled to vote at the Annual Meeting. The holders of Common Stock are entitled to one vote on all matters presented at the meeting for each share held of record. The presence in person or by proxy of holders of record of a majority of the shares outstanding and entitled to vote as of the Record Date shall be required for a quorum to transact business at the Annual Meeting. If a quorum should not be present, the Annual Meeting may be adjourned until a quorum is obtained. For the election of directors, cumulative voting is available upon proper notice of a stockholder's intention to do so. A candidate's name must have been placed up for nomination prior to the voting and the shareholder must provide notice of intent to vote cumulatively at the Annual Meeting prior to the vote. If any one shareholder has given that notice, all shareholders may cumulate their votes for a candidate's nomination. Under cumulative voting, you would have six votes for each share of common stock you own. You may cast all of your votes for one candidate, or you may distribute your votes among different candidates as you choose. However, you may cumulate votes (cast more than one vote per share) for a candidate only if the candidate is nominated before the voting and at least one shareholder gives notice at the meeting, before the voting, that he or she intends to cumulate votes. If you do not specify how to distribute your votes, by giving your proxy you are authorizing the proxyholders (the individuals named on your proxy card) to cumulate votes in their discretion. The six persons properly placed in nomination at the meeting and receiving the most affirmative votes will be elected as directors. For the purposes of election of such director, although abstentions will count toward the presence of a quorum, they will not be counted as votes cast and will have no effect on the result of the vote. "Broker non-votes," which occur when brokers are prohibited from exercising discretionary voting authority for beneficial owners who have not provided voting instructions, will not be counted for the purpose of determining the number of shares present in person or by proxy on voting matters 2 and 3 and will therefore have no effect on the outcome of the vote with respect to Proposals 1 and 3. Proposal 2 must be approved by a majority of the outstanding shares. As a result, abstentions and broker non-votes on this proposal will have the same effect as a "no" vote. Brokers who hold shares in street name may vote on behalf of beneficial owners with respect to Proposal 4.

Expenses

The expense of preparing, printing and mailing this Proxy Statement, exhibits and the proxies solicited hereby will be borne by the Company. In addition to the use of the mails, proxies may be solicited by officers, directors and regular employees of the Company, without additional remuneration, by personal interviews, telephone, email or facsimile transmission. The Company will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares of Common Stock held of record and will provide reimbursements for the cost of forwarding the material in accordance with customary charges.

Revocability of proxies

Proxies given by stockholders of record for use at the Annual Meeting may be revoked at any time prior to the exercise of the powers conferred. In addition to revocation in any other manner permitted by law, stockholders of record giving a proxy may revoke the proxy by an instrument in writing, executed by the stockholder or his attorney authorized in writing or, if the stockholder is a corporation, under its corporate seal, by an officer or attorney thereof duly authorized, and deposited either at the corporate headquarters of the Company at any time up to and including the last business day preceding the day of the Annual Meeting, or any adjournments thereof, at which the proxy is to be used, or with the chairman of such Annual Meeting on the day of the Annual Meeting or adjournments thereof, and upon either of such deposits the proxy is revoked.

ALL PROXIES RECEIVED WILL BE VOTED IN ACCORDANCE WITH THE CHOICES SPECIFIED ON SUCH PROXIES. PROXIES WILL BE VOTED IN FAVOR OF A PROPOSAL AND IN FAVOR OF THE NOMINEES IF NO CONTRARY SPECIFICATION IS MADE. ALL VALID PROXIES OBTAINED WILL BE VOTED AT THE DISCRETION OF THE PERSONS NAMED IN THE PROXY WITH RESPECT TO ANY OTHER BUSINESS THAT MAY COME BEFORE THE ANNUAL MEETING.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF EACH OF THE PROPOSALS AND FOR EACH OF THE NOMINEES TO BE SUBMITTED AT THE MEETING.

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ELECTION OF DIRECTORS

Introduction

At the Annual Meeting, seven individuals will be elected to serve as directors until the next annual meeting or until their successors are duly elected, appointed and qualified. The Company's Board of Directors currently consists of seven persons. All of the individuals who are nominated for election to the Board of Directors are existing directors of the Company. Unless a stockholder WITHHOLDS AUTHORITY, a properly signed and dated proxy will be voted "FOR" the election of the persons named below, unless the proxy contains contrary instructions. Management has no reason to believe that any of the nominees will not be a candidate or will be unable to serve as a director. However, in the event any nominee is not a candidate or is unable or unwilling to serve as a director at the time of the election, unless the stockholder withholds authority from voting, the proxies will be voted "FOR" any nominee who shall be designated by the present Board of Directors to fill such vacancy.

Four current Directors to be considered for re-election, Roderick de Greef, Phil Hickman, Jacques D. Kerrest and Rijkman Groenink are not related to each other and are "independent."

The three other current Directors to be considered for re-election are Steven van der Velden, Martin Zuurbier, and Johan Dejager, all of whom currently are not independent.

If Proposal 2 is passed at the Annual Meeting, our Articles of Incorporation will authorize the Board of Directors to fix the number of Directors that constitute the whole Board at any number that is not less than six and not more than eleven. The Bylaws will also give our Board of Directors the authority to appoint new Directors to fill vacancies and newly created positions on the Board.

As described above, our Directors will generally serve one-year terms. If all the nominees are elected, the Board of Directors will consist of seven Directors.

Although we plan to have a seven-person Board of Directors following the 2011 Annual Meeting of Shareholders, our Board may utilize its authority granted in the Bylaws to increase the number of Directors and to appoint Directors to ensure compliance with NASDAQ rules that require that a majority of our Directors be "independent" as defined in NASDAQ rules. This means the number of Directors may be different than we currently plan.

Information about each of the nominees, who are our current Directors, is set forth below.

Unless proxy cards are otherwise marked, the persons named as proxies will vote all proxies received FOR the election of each nominee named in this section.

If any director nominee is unable or unwilling to serve as a nominee at the time of the annual meeting, the persons named as proxies may vote for a substitute nominee designated by the present Board to fill the vacancy or for the balance of the nominees, leaving a vacancy. Alternatively, the Board may reduce the size of the Board. The Board has no reason to believe that any of the nominees will be unwilling or unable to serve, if elected as a director. Such persons have been nominated to serve until the annual meetings described in this Proxy Statement or until their successors, if any, are elected or appointed. This section contains the names and biographical information for each of the nominees who are our current Directors.

For the election of directors, cumulative voting is available pursuant to California law. Under cumulative voting, you would have six votes for each share of common stock you own. You may cast all of your votes for one candidate, or you may distribute your votes among different candidates as you choose. However, you may cumulate votes (cast more than one vote per share) for a candidate only if the candidate is nominated before the voting and at least one shareholder gives notice at the meeting, before the voting, that he or she intends to cumulate votes. If you do not specify how to distribute your votes, by giving your proxy you are authorizing the proxyholders (the individuals named on your proxy card) to cumulate votes in their discretion. The six persons properly placed in nomination at the meeting and receiving the most affirmative votes will be elected as directors.

The following table sets forth certain information concerning each nominee for election as a Director of the Company:

Name	Age	Position	Director Since
Steven Van der Velden	55	Chairman of the Board President, Chief Executive Officer and Director	2006
Martin Zuurbier	51	Chief Technical Officer and Director	2007
Jacques D. Kerrest (1)(2)(3)	64	Director	-
Johan Dejager	52	Director	2006
Roderick de Greef (1)(2)(3)	50	Director	2008
Phil Hickman (1)(2)(3)	61	Director	2010
Rijkman Groenink (1)(2)(3)	61	Director	2011

- (1) Member of Audit Committee.
- (2) Member of Nominating Committee
- (3) Member of Compensation Committee

At the Meeting, stockholders will be asked to elect each of Steven van der Velden, Martin Zuurbier, Jacques D. Kerrest, Johan Dejager, Roderick de Greef, Phil Hickman and Rijkman Groenink as a Director, each to hold office until the next annual meeting of stockholders or until his successor is elected and qualified or until his earlier resignation or removal.

The Board of Directors has nominated each of Steven van der Velden, Martin Zuurbier, Jacques D. Kerrest, Johan Dejager, Roderick de Greef , Phil Hickman and Rijkman Groenink, who each currently serve as a director, to stand for reelection at the Meeting. The enclosed proxy, if returned, and unless indicated to the contrary, will be voted for the election of each of Steven van der Velden, Martin Zuurbier, Jacques D. Kerrest, Johan Dejager, Roderick de Greef , Phil Hickman and Rijkman Groenink.

We have been advised by each of Messrs. van der Velden, Zuurbier, Kerrest, Dejager, de Greef, Hickman and Rijkman Groenink that they are willing to be named as a nominee and each is willing to continue to serve as a Director if reelected. If some unexpected occurrence should make necessary, in the discretion of the Board of Directors, the substitution of some other person for the nominees, it is the intention of the persons named in the proxy to vote for the election of such other person as may be designated by the Board of Directors.

Directors and Executive Officers

Listed below are the names of the directors, executive officers and significant employees of the Company, their ages as of July 12, 2011 and positions held:

Name	Age	Position(s) Held
Steven van der Velden.	55	Chairman of the Board, President, Chief Executive Officer
Martin Zuurbier	51	Operations, Chief Technical Officer and Director
Jacques D. Kerrest	64	Director
Johan Dejager	52	Director
Roderick de Greef(1)(2)(3)	50	Director
Phil Hickman(1)(2)(3)	61	Director
Rijkman Groenink(1)(2)(3)	61	Director
Mark Nije	48	Chief Financial Officer
William van der Brink	53	Chief Commercial Officer
Pat Carroll	52	Chief Executive Officer – Validsoft subsidiary
Alex Vermeulen	56	General Counsel

- (1) Member of Audit and Finance Committee.
- (2) Member of Nominating and Corporate Governance Committee.
- (3) Member of Compensation Committee

There are no arrangements between our directors and any other person pursuant to which our directors were nominated or elected for their positions. There are no family relationships between any of our directors or executive officers.

Except as set forth below, none of the Company’s directors or executive officers have been involved, in the past ten years and in a manner material to an evaluation of such director’s or officer’s ability or integrity to serve as a director or executive officer, in any of those “Certain Legal Proceedings” more fully detailed in Item 401(f) of Regulation S-K, which include but are not limited to, bankruptcies, criminal convictions and an adjudication finding that an individual violated federal or state securities laws.

Background

The following is a brief summary of the background of each Director of the Company:

Steven van der Velden has been a director since October 24, 2006 and our Chairman, President and Chief Executive Officer since October 30, 2006. Mr. van der Velden has experience in consultancy, logistics, real estate development, and telecommunications, e-commerce and investment management. He founded his first consultancy firm in 1983 and since then Mr. van der Velden has started over a dozen companies. Mr. van der Velden is involved in various Information Communication Technology ventures throughout Europe, North America and the Far East, and currently serves as Chairman of the Board of QAT Investments SA in Luxembourg. In 2000, he co-founded E-commerce Park NV, which has developed a 50,000 sq.ft. data centre and Internet hosting facility, located on top of the various fiber optic landing points in Curacao. In 1994, Mr. van der Velden co-founded the ITA International Telemedia Association, known today as the Network for Online Commerce, and served as its first Chairman. In the same year, he co-founded InTouch Telecom SA/NV to offer a wide range of business and consumer telecom applications to the Belgian Market, and served as its CEO until the company was sold to Global TeleSystems, Inc. in 1999. From 1988 until 1992 he served as the first Managing Director of Antillephone NV. Currently he is a Director of Unicom NV. Between 1986 and 1988, Mr. van der Velden co-headed a team of 16 consultants, which advised on and implemented a wide range of measures to balance budgets and to restructure the internal organizations of the Governments of both the Dutch Antilles and the island of Curacao. Mr. van der Velden earned his Master's Degree in Business Administration from Rotterdam School of Management, the Netherlands, and a Master's Degree in Law from Leiden University, the Netherlands. He splits his time between Curacao, Dutch Antilles and Brussels, Belgium. Mr. Van der Velden has extensive experience in the telecommunications industry and the business world in general. He has 30 years of experience in management, of which 20 years is in telecommunications. Mr. Van der Velden is also the Chief Executive Officer of the Company. As such, we believe that Mr. Van der velden is qualified to serve as a Director.

Martin Zuurbier has been responsible for Operations and Chief Technical Officer and a director since January 1, 2007. From January 2005 until January 1, 2007, Mr. Zuurbier had been the Chief Operating Officer and Chief Technology Officer of Benoit Telecom Holding AG, a telecom service provider in Europe that was acquired by us on January 1, 2007. From December 1999 to December 2004, Mr. Zuurbier served as director and was the founder of Vocalis Telecom Group located in The Netherlands and Switzerland. Mr. Zuurbier was responsible for building, maintaining and operating a telecommunications network spanning eight countries in Europe, including all back-office, billing and Client Provisioning Management systems. From January 1995 to June 1999, Mr. Zuurbier was directly involved in the telecommunications industry and was involved in the development of new switching technology in collaboration with hardware manufacturer Dialogic, implementation of the Amsterdam Carrier Ring in 1999 with COLT Telecom BV as the launch customer, and negotiating increased capacity on behalf of various international telecommunications companies. Prior to 1995, Mr. Zuurbier was involved in the production of television commercials for the European market. Mr. Zuurbier has extensive experience in telecommunications and the business world in general. Mr. Zuurbier is also the Chief Technology Officer of the Company. As such, we believe that Mr. Zuurbier is qualified to serve as a Director.

Jacques D. Kerrest was appointed on July 14, 2011, effective August 1, 2011, as a Director. From October 2010 to June 2011, Mr. Kerrest served as a member of the board of directors and Chairman of the Audit Committee of CKX, Inc. (NASDAQ:CKXE) a company which is engaged in the ownership, development and commercialization of entertainment content and later sold to a private equity firm. From August 2008 to 2010, Mr. Kerrest served as the Chief Financial Officer and Chief Operating Officer of ActivIdentity Corp. (NASDAQ: ACTI), a Fremont California based security software company. From September 2004 until March 2008, Mr. Kerrest served as the Chief Financial Officer of Virgin Media, Inc. (NASDAQ: VMED), a communications company. From June 2003 to August 2004, Mr. Kerrest was the Managing Director and Chief Financial Officer of Equant, N.V., a global enterprise communications infrastructure company. From August 1997 to May 2003, Mr. Kerrest was the Senior Vice President and Chief Financial Officer of Harte-Hanks, Inc., a worldwide direct and targeted marketing company. From August 1995 to July 1997, Mr. Kerrest served as the Chief Financial Officer of Chancellor Broadcasting Company, a radio broadcasting company. From 1993 to July 1995, Mr. Kerrest was the Chief Financial Officer of Positive Communications, Inc., a private telecommunications company. We believe Mr. Kerrest's qualifications to sit on our board of directors include, among other things, his years of executive leadership, his expertise in business, corporate strategy and financial matters and his exposure to a number of different businesses, among them IT and telecommunications, involved in worldwide activities

Johan Dejager has been a director since October 24, 2006. Mr. Dejager is managing director and owner of Osta Carpets, a specialized niche producer of area rugs with production plants in Belgium and a distribution center in Barcelona, and Gaverdal, a finishing plant for the carpet industry. He is also Managing Director of Ligne Pure, a company specialised in the design and manufacturing of handmade carpets for the decorator market. Mr. Dejager serves as a member of the Board of Directors of QAT Investments SA. In addition, he is a shareholder and director of Keyware, a provider of identity-related solutions and services, and of SPARNEX, an engineering company developing and industrializing DSL products for the telecom industry. Mr. Dejager is a member of the Board of Directors of FEBELTEX (the Federation of the Belgian Textile Companies). As Vice-President of the company, Mr. Dejager is in charge of the subdivision of interior textiles. Mr. Dejager holds a Bachelors degree (1981) and a Masters degree in Commercial Engineering from the University of Leuven, Belgium (1981) and an MBA from Insead Fontainebleau, France (1982). Mr. Dejager has extensive experience in the business world in general as well as serving as a director of companies including a company in the telecom industry. Mr. Dejager is also a representative of one of the larger shareholders of the Company, QAT Investments. As such, we believe that Mr. Dejager is qualified to serve as a Director.

Roderick de Greef has served on our Board of Directors since January, 2008. Mr. de Greef is the principal of Taveyenne Capital Advisers, Inc., a firm providing corporate finance consulting services. Since November 2008, Mr. de Greef has been chairman of the board of Cambridge Heart, Inc. Previously Mr. de Greef has served as the Chief Financial Officer of Cambridge Heart from October 2005 to July 2007. Mr. de Greef served as the Executive Vice President, Chief Financial Officer and Secretary of Cardiac Science, Inc. from March 2001 to September 2005. From 1995 to 2001, Mr. de Greef provided corporate finance advisory services to a number of early stage companies including Cardiac Science, where he was instrumental in securing equity capital beginning in 1997, and advising on merger and acquisition activity. Mr. de Greef also serves on the board of directors of Endologix, Inc., a public medical device company located in Irvine, California, and BioLife Solutions, Inc., a public life sciences company based in Bothell, Washington. Mr. de Greef has extensive experience in corporate finance and the business world in general as well as serving as an officer and director of public companies. Mr. de Greef is also independent and qualifies as an audit committee financial expert. As such, we believe that Mr. de Greef is qualified to serve as a Director.

Phil Hickman was appointed as director on 29 March 2010. Mr. Hickman manages his own consultancy and advisory business in the fields of corporate strategy and organization, offshore banking, business process outsourcing (BPO), payment & cash management solutions, internet and telephony security, sales and marketing. Mr. Hickman is Chairman of ValidSoft, a member of the Elephant Talk Communications Group, and he is also a Director of Alfa Bank Holdings, the largest privately-owned bank in Russia and part of the Alfa Group. He also acts as an advisor with the Bank in Russia, Ukraine, Belarus and Kazakhstan. Mr. Hickman is also Chairman of Earthport plc, a publicly quoted company in the UK engaged in the Payments industry. Mr. Hickman spent 32 years in HSBC Bank plc and has been responsible for developing and implementing many areas of change and innovation both in the UK and around the world. Before leaving HSBC, Mr. Hickman was Head of Strategy & Planning HSBC Commercial Bank. Mr. Hickman has extensive experience in banking, corporate finance and the business world in general as well as serving as a director of other public companies. He also qualifies as an independent director. As such, we believe that Mr. Hickman is qualified to serve as a Director.

Rijkman Groenink, was appointed as director on April 1, 2011. Mr. Groenink's career spans nearly 35 years at ABN Amro, starting in 1974 at Amro, prior to its merger with ABN. He served for more than seven years as Chairman of the Managing Board of ABN Amro Holding NV. Under Groenink's leadership the bank has been streamlined to focus on its core activities, while bolstering its operations through successful acquisitions, such as Banco Sudameris de Brazil, Delbrück & Co. and Bethmann Maffei in Germany, Michigan National, and the acquisition of Banca Antonveneta. Mr. Groenink was elected European Banker of the Year 2005. In November 2007 he left as Chair at ABN Amro, following the acquisition of the bank by a consortium of banks, comprising of RBS, Fortis and Santander. He is currently a partner at Atlas N.V., an investment vehicle. Mr. Groenink received a law doctorate from the University of Utrecht, a Diploma in Business Administration from Manchester Business School, and a diploma Honoris Causa M.B.A. in International Business from the MIB School of Management in Trieste, Italy. Mr. Groenink received a royal knighthood, when he was appointed Officer in the Order of Oranje-Nassau by Her Majesty Queen Beatrix in 2006. Mr. Groenink has extensive experience in banking, corporate finance and the business world in general as well as serving as an officer and director of other public companies. He also qualifies as an independent director. As such, we believe that Mr. Groenink is qualified to serve as a Director.

Executive Officers

Mark Nije was general manager Europe since January 1 2007, a function he held since the end of 2004 within the acquired Benoit Telecom Group. Mr. Nije was appointed Chief Financial Officer on December 15, 2008. Mr. Nije has experience in finance, project management, business development, investment management, logistics and telecommunications. Mr. Nije started as project manager and management consultant for Tebodin Consulting Engineers and Reitsma & Wertheim M&A specialists, the Netherlands. In 1990 he co-founded Logistic Management International NV (LMI), an international cargo transportation and airport handling company at the airport of Curacao, Netherlands Antilles. During those years he served as a board member and vice-chairman of the Curacao Exporters Association. From 2000-2002 Mr. Nije was co-founder and director of PickYourGifts BV, an internet start-up. In 2003 he became partner of QAT Investments SA, the Luxemburg venture capital fund, where he has been active as investment manager and/or board member in various ICT related ventures of QAT. Currently he is member of the Dutch Association of CEO's and Directors (NCD). Mr. Nije earned his Master's Degree in Business Administration from the Rotterdam School of Management, the Netherlands, and a Bachelor of Science Degree in Building Construction Management from the University of Reading, United Kingdom.

Mr. Nije is a cousin of the wife of Mr. van der Velden. Other than the aforesaid, there are no family relationships between any director or executive officer.

Patrick Carroll is Founder and CEO of ValidSoft Limited, the company that was acquired in 2010 by Elephant Talk Communications. ValidSoft is a software engineering company that develops advanced security software solutions to help global institutions counter the most sophisticated Card and electronic fraud consistent with leading independent research thinking. Prior to founding ValidSoft, Mr. Carroll was employed as Head of Electronic Trading Technology in Europe for Goldman Sachs International where responsibilities included technical strategy related to Electronic Trading, Client Connectivity and Straight Through Processing (STP). Mr. Carroll has extensive Financial Services & technical experience (over 25 years) and has previously worked in a senior capacity with J.P Morgan, Credit Suisse Financial Products and Bankers Trust Company.

Willem van den Brink started working for Elephant Talk October 1, 2010 as our Chief Commercial Officer. Prior to joining Elephant Talk, Mr. Van den Brink served as Vice President New Business Development for KPN Mobile International, which operates in Germany, Belgium, France and Spain. Throughout his tenure, he generated new business developments via partnerships with non-telecommunications companies and created bottom-line value for KPN. Mr. Van den Brink also organized multi-country partnerships that accelerated revenue and margin growth. Prior to his role as Vice President New Business Development for KPN Mobile International, Mr. Van den Brink held a variety of senior management positions with KPN Netherlands, the leading telecom and ICT service provider in the Netherlands. Within his responsibilities he contributed to reorganizing businesses resulting in direct increase of the bottom-line and top-line results. He has extensive experience in restructuring sales from commodity sales to value-added consultative selling sales, focusing on ICT outsourcing, to aggressively grow the business. Mr. Van den Brink holds a Masters degree in Experimental Physics from Catholic University Nijmegen and a Ph.D. from the University of Utrecht.

Alexander Vermeulen has been General Counsel of the company since 2007. Mr. Vermeulen worked for twenty years as manager with ING, one of Europe's leading financial groups. He served amongst others as General Manager for the Caribbean area and General Manager Postbank Insurances, a leading direct writer in the Dutch market. In Italy he was responsible for all the life insurance activities of ING and was director of various ING entities, amongst which the funds investment company. In 2003 Mr. Vermeulen started his own consultancy company in Italy, initially with advisory services in the life insurance market and broadening later on to other sectors. In 2006 Mr. Vermeulen started working for Elephant Talk as consultant. In 2007 he joined Elephant Talk full time as General Counsel. Mr. Vermeulen holds a Masters degree in Law from Leiden University, the Netherlands.

There are no arrangement between our directors and any other person pursuant to which our directors were nominated or elected for their positions other than the following:

We have agreed with Rising Water Capital, A.G., a large shareholder, and an entity in which QAT holds a 51% ownership interest, to use our best efforts to retain our current management, including Mr. van der Velden, pursuant to a settlement agreement dated May 13, 2008.

Director Independence

We believe that only Roderick de Greef, Phil Hickman and Rijkman Groenink qualify as independent directors for NASDAQ Stock Market purposes. This means that our Board of Directors is not composed of a majority of independent directors as required by the rules of the NASDAQ Stock Market.

Meetings of the Board of Directors and Stockholders

Our board of directors met in person and telephonically five times during 2010 and also acted by unanimous written consent. Each member of our board of directors was present at eighty (80%) percent or more of the Board of Directors meetings held.

Board Committees

Our Board of Directors has established three standing committees—Audit, Compensation, and Nominating and Corporate Governance. All Committees operate under a charter that has been approved by the board.

Audit Committee

Our board of directors has an Audit Committee, composed of Roderick de Greef, Phil Hickman, Rijkman Groenink and Jacques D. Kerrest all of whom are independent directors as defined in accordance with section 3(a)(58)(A) of the Exchange Act and the rules of NASDAQ. Mr. de Greef serves as chairman of the committee. The Audit Committee met four times during 2010. The board of directors has determined that Mr. de Greef is an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. The Audit Committee met four times during 2010. Each member of the Audit Committee was present at one hundred (100%) percent of the Audit Committee meetings held during such director’s tenure as a member of the Audit Committee.

Our Audit Committee oversees our corporate accounting, financial reporting practices and the audits of financial statements. For this purpose, the Audit Committee has a charter (which is reviewed annually) and performs several functions. The Audit Committee:

- evaluates the independence and performance of, and assesses the qualifications of, our independent auditor, and engages such independent auditor;
- approves the plan and fees for the annual audit, quarterly reviews, tax and other audit-related services, and approves in advance any non-audit service to be provided by the independent auditor;
- monitors the independence of the independent auditor and the rotation of partners of the independent auditor on our engagement team as required by law;
- reviews the financial statements to be included in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and reviews with management and the independent auditors the results of the annual audit and reviews of our quarterly financial statements;
- oversees all aspects our systems of internal accounting control and corporate governance functions on behalf of the board; and
- provides oversight assistance in connection with legal, ethical and risk management compliance programs established by management and the board, including Sarbanes-Oxley implementation, and makes recommendations to the board of directors regarding corporate governance issues and policy decisions.

Nominating and Corporate Governance Committee

Our board of directors has a Nominating and Corporate Governance Committee composed of Rijkman Groenink, Roderick de Greef, Phil Hickman and Jacques D. Kerrest. Mr. Groenink serves as the chairman of the committee. The Nominating and Corporate Governance Committee is charged with the responsibility of reviewing our corporate governance policies and with proposing new potential director nominees to the board of directors for consideration. The Nominating and Corporate Governance Committee met one time in 2010 and has a charter which is reviewed annually. All members of the Nominating and Corporate Governance Committee are independent directors as defined by the rules of the NASDAQ Stock Market. The Nominating and Corporate Governance Committee will consider director nominees recommended by security holders. To recommend a nominee please write to the Nominating and Corporate Governance Committee c/o Alex Vermeulen, Elephant Talk Communications Corp., 19103 Centre Rose Boulevard, Lutz, FL, 33558. The Nominating and Corporate Governance Committee will assess all director nominees using the same criteria. During 2010, we did not pay any fees to any third parties to assist in the identification of nominees. During 2010, we did not receive any director nominee suggestions from stockholders.

The Nominating and Corporate Governance Committee has not formally established any specific, minimum qualifications that must be met by each of our officers or directors or specific qualities or skills that are necessary for one or more of our officers or members of the board of directors to possess. However, the committee generally evaluates the following qualities: educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and ability to represent the best interests of our shareholders.

Compensation Committee

Our board of directors also has a Compensation Committee, which reviews or recommends the compensation arrangements for our management and employees and also assists the board of directors in reviewing and approving matters such as company benefit and insurance plans. The Compensation Committee has a charter and is composed of four members: Phil Hickman, Roderick de Greef, Rijkman Groenink and Jacques D. Kerrest. Mr. Hickman acts as chairman of this committee. The Compensation Committee met four times during 2010.

The Compensation Committee has the authority to directly engage, at our expense, any compensation consultants or other advisers as it deems necessary to carry out its responsibilities in determining the amount and form of employee, executive and director compensation. In 2010, the Compensation Committee did not engage any such compensation consultants or advisers.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Compensation Committee, or other committee serving an equivalent function. None of the members of our Compensation Committee has ever been our employee or one of our officers.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors determines what corporate leadership structure it deems appropriate for the Company based on factors such as the experience of the applicable individuals, the current business environment of the Company, the current stage of development and commercialization of our products and product candidates, as well as other relevant factors.

The Board of Directors is also responsible for oversight of our risk management practices, while management is responsible for the day-to-day risk management processes.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our directors and executive officers and persons who beneficially own more than 10% of our common stock (referred to herein as the “reporting persons”) file with the SEC various reports as to their ownership of and activities relating to our common stock. Such reporting persons are required by the SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely upon a review of copies of Section 16(a) reports and representations received by us from reporting persons, and without conducting any independent investigation of our own, in fiscal year 2010, all Forms 3, 4 and 5 were timely filed with the SEC by such reporting persons, except for some Form 4’s and Forms 5 for Roderick de Greef, Martin Zuurbier, Johan Dejager, Yves van Sante, Phil Hickman, Mark Nije, Patrick Carroll, Alex Vermeulen, RWC and QAT and QAT II Investments.

Code of Ethics

We have adopted a code of ethics that applies to all employees, as well as each member of our board of directors. Our code of ethics is posted on our website, and we intend to satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of our code of ethics by posting such information on our website, www.elephanttalk.com. A copy of our code of ethics is also available in print, without charge, upon written request to 19103 Centre Rose Boulevard, Lutz, FL 33558. Attn: Alex Vermeulen.

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The audit committee of the Board of Directors (the “**Committee**”) during 2010 was composed of two directors: Roderick de Greef and Phil Hickman, each of whom was “independent” as defined by the rules of the NASDAQ Stock Market. Mr. de Greef serves as chairman of the committee. The Board of Directors has adopted a written Audit Committee Charter, which was filed as Annex A to the Company’s 2007 Proxy Statement.

Management is responsible for the Company’s financial statements, financial reporting process and systems of internal control. The Company’s independent auditor is responsible for performing an independent audit of the Company’s financial statements in accordance with auditing standards generally accepted in the United States and for issuing a report thereon. The Committee’s responsibility is to oversee all aspects of the financial reporting process on behalf of the Board of Directors. The responsibilities of the Committee also include engaging and evaluating the performance of the accounting firm that serves as the Company’s independent auditor.

The Committee discussed with the Company’s independent auditor, with and without management present, such auditor’s judgments as to the quality, not just acceptability, of the Company’s accounting principles, along with such additional matters required to be discussed under the Statement on Auditing Standards No. 61, “Communication with Audit Committees.” The Committee has discussed with the independent auditor, the auditor’s independence from the Company and its management, including the written disclosures and the letter submitted to the Committee by the independent auditor as required by the Independent Standards Board Standard No. 1, “Independence Discussions with Audit Committees.”

In reliance on such discussions with management and the independent auditor, review of the representations of management and review of the report of the independent auditor to the Committee, the Committee recommended (and the Board of Directors approved) that the Company’s audited financial statements be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010. The Committee and the Board of Directors have also, respectively, recommended and approved the selection of the Company’s current independent auditor, which approval is subject to ratification by the Company’s stockholders.

Submitted by:

Audit Committee of the Board of Directors

/s/ Roderick de Greef

/s/ Phil Hickman

* The information contained in this Audit Committee Report shall not be deemed to be “soliciting material” or “filed” or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically requests that the information be treated as soliciting material or specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended (the “**Securities Act**”) or the Exchange Act.

The following table sets forth all annualized compensation paid to our named executive officers at the end of the fiscal years ended December 31, 2010 and 2009. Individuals we refer to as our "named executive officers" include our Chief Executive Officer, Chief Technology Officer, Chief Financial Officer, Chief Commercial Officer, Chief Executive Officer of ValidSoft and General Counsel.

SUMMARY COMPENSATION TABLE

Name and principle position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Total (\$)
Steven van der Velden	2009	\$ 0	\$	\$ 193,380	\$ 193,380
(President and CEO)	2010	\$ 0	\$	\$ 955,665 (2)	\$ 955,661
Martin Zuurbier	2009	\$ 216,920	\$	\$ 118,500	\$ 335,420
(OPS,CTO)	2010	\$ 206,655	\$	\$ 301,788 (3)	\$ 508,443
Mark Nije	2009	\$ 191,891	\$	\$ 79,000	\$ 270,891
(Chief Financial Officer)	2010	\$ 182,811	\$	\$ 301,788 (4)	\$ 484,598
Patrick Carroll	2009	\$ 0	\$	\$ 0	\$ 0
(Chief Executive Officer of ValidSoft)	2010	\$ 182,811	\$	\$ 301,788 (5)	\$ 484,598
Willem van den Brink (>01Oct2010)	2009	\$ 0	\$	\$ 0	\$ 0
(Chief Commercial Officer)	2010	\$ 59,612	\$	\$ 21,343 (6)	\$ 80,955
Alex Vermeulen	2009	\$ 150,176	\$	\$ 79,000	\$ 229,176
(General Counsel)	2010	\$ 143,069	\$	\$ 150,894 (7)	\$ 293,963

(1) The amounts included in these columns are the aggregate fair values of the awards granted by the Company to the executives in the fiscal year, valued in accordance with ASC 718 for the fiscal years ended December 31, 2009 and December 31, 2010. Pursuant to SEC rules, the amounts in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. The share price used has been the share price at closing of the grant-date on April 1, 2010 (\$1.75) except for the shares granted to Willem van den Brink who joint October 1, 2010 these were valued against \$2.29 which had been the 10 (working)day average of the last quarter of 2010. Changes in compensation in the above table may arise as a result of exchange rate differences.

(2) Comprised of 546,092 shares of restricted stock granted as salary in lieu of € 228,000 cash; see note

(3) Comprised of 172,450 shares of restricted stock granted as salary in lieu of € 72,000 cash; see note

(4) Comprised of 172,450 shares of restricted stock granted as salary in lieu of € 72,000 cash; see note

(5) Comprised of 172,450 shares of restricted stock granted as salary in lieu of € 72,000 cash; see note

(6) Comprised of 9,304 shares of restricted stock granted as salary in lieu of € 12,000 cash.

(7) Comprised of 86,225 shares of restricted stock granted as salary in lieu of € 36,000 cash; see note

Note to (2), (3), (4), (5) and (7):

In order to convert part of the agreed cash salaries into shares the Company applied a valuation model based upon the conditions provided to investors of the 2009 Convertible Promissory Note. This resulted in the number of shares of stock issued to the executive officers. However, from an accounting point of view these shares had to be fair valued based on the share price of the date of grant, which translates into the (larger) amounts mentioned in the table compared to amounts as valued by the company and as agreed in cash. The stock awards as mentioned for 2009 only include the bonus shares awarded to the executive officers and not their respective salary stock compensation in lieu of cash because these stock awards were already granted and vested in earlier years.

Employment Agreements

Except as set forth below, we currently have no written or unwritten employment agreements with any of our executive management or directors.

Steven van der Velden, President and Chief Executive Officer - We intend to enter into an employment agreement with Mr. van der Velden which will provide for his continued employment in his present capacity as President and Chief Executive Officer prior to the end of 2011. Mr. van der Velden is paid as base compensation € 228,000 per annum, of which 100% is paid in the form of restricted common stock, which is consistent with prior years. Mr. Van der Velden receives no fees (cash or stock) for serving on our board of directors. All shares for Mr. Van der Velden were on his behalf issued to QAT II Investments.

Martin Zuurbier, Operations/Chief Technical Officer - We intend to enter into an employment agreement with Mr. Zuurbier which will provide for his continued employment in his present capacity as Chief Operating Officer and Chief Technical Officer prior to the end of 2011. Mr. Zuurbier is paid € 228,000 per annum, of which 31.5% is paid in the form of restricted common stock, which is consistent with prior years. Mr. Zuurbier receives no fees (cash or stock) for serving on our board of directors. All shares for Mr. Zuurbier were on his behalf issued to Interact W.L.L..

Mark Nije, Chief Financial Officer, - We intend to enter into an employment agreement with Mr. Nije which will provide for his continued employment in his present capacity as Chief Financial Officer prior to the end of 2011. Mr. Nije is paid € 210,000 per annum, of which 34% is paid in the form of restricted common stock, which is consistent with prior years. All the shares for Mr. Nije were on his behalf issued to LMI Europe B.V.

Patrick Carroll, Chief Executive Officer of ValidSoft, a 100% subsidiary of the Company, - We intend to enter into an employment agreement with Mr. Carroll which will provide for his continued employment in his present capacity as Chief Executive Officer of ValidSoft prior to the end of 2011. Mr. Carroll is paid € 210,000 per annum, of which 34% is paid in the form of restricted common stock, which is consistent with prior years.

Alex Vermeulen, Chief General Counsel, - We intend to enter into an employment agreement with Mr. Vermeulen which will provide for his continued employment in his present capacity as Chief General Counsel prior to the end of 2011. Mr. Vermeulen is paid € 144,000 per annum, of which 25% is paid in the form of restricted common stock, which is consistent with prior years. All the shares for Mr. Vermeulen were on his behalf issued to Scere Company Italy SRL.

Willem van den Brink, Chief Commercial Officer, - Per October 1, 2010 we have entered into a written agreement with Mr. Van den Brink for the provision of his services as Chief Commercial Officer. The contract has a 4 year duration. Annual compensation is € 228,000, of which till January 1, 2012 21% is paid in shares.

Administration

Our board of directors has established a compensation committee that, among other duties, administers the Incentive Plan. The compensation committee is composed of two members of the Board, whom are “non-employee directors” within the meaning of Rule 16b-3(b)(3) of the Securities Exchange Act of 1934, as amended. Members of our compensation committee serves at the pleasure of our Board. In connection with the administration of our Incentive Plan, the compensation committee, with respect to awards to be made to any person who is not one of our directors:

- determine which employees and other persons will be granted awards under our Incentive Plan;
- grant the awards to those selected to participate;
- determine the exercise price for options; and
- prescribe any limitations, restrictions and conditions upon any awards, including the vesting conditions of awards.

With respect to stock options or restricted stock awards to be made to any of our directors, the Compensation Committee will make recommendations to our Board of Directors as to:

- which of such persons should be granted stock options, restricted stock awards, performance units or stock appreciation rights;

- the terms of proposed grants of awards to those selected by our Board of Directors to participate;
- the exercise price for options; and
- any limitations, restrictions and conditions upon any awards.

Any grant of awards to any of directors under our Incentive Plan must be approved by our Board of Directors.

In addition, the compensation committee will:

- interpret our Incentive Plan; and
- make all other determinations and take all other action that may be necessary or advisable to implement and administer our Incentive Plan.

Types of Awards

Our Incentive Plan permits the Compensation Committee to grant the following types of awards.

Stock Options . Stock options are contractual rights entitling an optionee who has been granted a stock option to purchase a stated number of shares of our common stock at an exercise price per share determined at the date of the grant. Options are evidenced by stock option agreements with the respective optionees. The exercise price for each stock option granted under our Incentive Plan will be determined by our Board of Directors or a committee of the Board at the time of the grant, but will not be less than fair market value on the date of the grant. Our Board of Directors or a committee of the Board will also determine the duration of each option; however, no option may be exercisable more than ten years after the date the option is granted. Within the foregoing limitations, the Board of Directors or committee of the Board may, in its discretion, impose limitations on exercise of all or some options granted under our Incentive Plan, such as specifying minimum periods of time after grant during which options may not be exercised. Options granted under our Incentive Plan will vest at rates specified in the option agreement at the time of grant; however, all options granted under our Incentive Plan will vest upon the occurrence of a change of control, as defined in the Incentive Plan. Our Incentive Plan also contains provisions for our Board of Directors or a committee of the Board to provide in the participants' option award agreements for accelerating the right of an individual employee to exercise his or her stock option or restricted stock award in the event of retirement or other termination of employment. No cash consideration is payable to us in exchange for the grant of options.

Our Incentive Plan provides that the stock options may either be Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or Non-Qualified Options, which are stock options other than Incentive Stock Options within the meaning of Sections 422 of the Code. Incentive Stock Options may be granted only to our employees or employees of our subsidiaries, and must be granted at a per share option price not less than the fair market value of our common stock on the date the Incentive Stock Option is granted. In the case of an Incentive Stock Option granted to a shareholder who owns shares of our outstanding stock of all classes representing more than 10% of the total combined voting power of all of our outstanding stock of all classes entitled to vote in the election of directors, the per share option price must be not less than 110% of the fair market value of one share of our common stock on the date the Incentive Stock Option is granted and the term of such option may not exceed five years. As required by the Code, the aggregate fair market value, determined at the time an Incentive Stock Option is granted, of our common stock with respect to which Incentive Stock Options may be exercised by an optionee for the first time during any calendar year under all of our incentive stock option plans may not exceed \$100,000.

The exercise price for Non-Qualified Options may not be less than the fair market value of our common stock on the date the Non-Qualified Option is granted. Non-Qualified Options are not subject to any of the restrictions described above with respect to Incentive Stock Options. The exercise price of stock options may be paid in cash, in whole shares of our common stock, in a combination of cash and our common stock, or in such other form of consideration as our Board of Directors or the committee of the Board may determine, equal in value to the exercise price. However, only shares of our common stock which the option holder has held for at least six months on the date of the exercise may be surrendered in payment of the exercise price for the options. In no event may a stock option be exercised after the expiration of its stated term.

Stock Appreciation Rights . A stock appreciation right permits the grantee to receive an amount (in cash, common stock, or a combination thereof) equal to the number of stock appreciation rights exercised by the grantee multiplied by the excess of the fair market value of our common stock on the exercise date over the stock appreciation rights' exercise price. Stock appreciation rights may or may not be granted in connection with the grant of an option. The exercise price of stock appreciation rights granted under the Incentive Plan will be determined by the Board of Directors or a committee of the Board; provided, however, that such exercise price cannot be less than the fair market value of a share of common stock on a date the stock appreciation right is granted (subject to adjustments). A stock appreciation right may be exercised in whole or in such installments and at such times as determined by the Board of Directors or a committee of the Board.

Restricted Stock . Restricted shares of our common stock may be granted under our Incentive Plan subject to such terms and conditions, including forfeiture and vesting provisions, and restrictions against sale, transfer or other disposition as the Board of Directors or a committee of the Board may determine to be appropriate at the time of making the award. In addition, the Board of Directors or a committee of the Board may direct that share certificates representing restricted stock be inscribed with a legend as to the restrictions on sale, transfer or other disposition, and may direct that the certificates, along with a stock power signed in blank by the grantee, be delivered to and held by us until such restrictions lapse. The Board of Directors or a committee of the Board, in its discretion, may provide in the award agreement for a modification or acceleration of shares of restricted stock in the event of permanent disability, retirement or other termination of employment or business relationship with the grantee.

Performance Units . The Incentive Plan permits grants of performance units, which are rights to receive cash payments equal to the difference (if any) between the fair market value of our common stock on the date of grant and its fair market value on the date of exercise of the award, except to the extent otherwise provided by the Board of Directors or a committee of the Board or required by law. Such awards are subject to the fulfillment of conditions that may be established by the Board of Directors or a committee of the Board including, without limitation, the achievement of performance targets based upon the factors described above relating to restricted stock awards.

Performance Bonus . The Incentive Plan permits grants of performance bonuses, which may be paid in cash, common stock or combination thereof as determined by the Board of Directors or a committee of the Board. The maximum value of performance bonus awards granted under the Incentive Plan shall be established by the compensation committee at the time of the grant. An employee's receipt of such amount will be contingent upon achievement of performance targets during the performance period established by the compensation committee. The performance targets will be determined by the Board of Directors or a committee of the Board based upon the factors described above relating to restricted stock awards. Following the end of the performance period, the Board of Directors or a committee of the Board will determine the achievement of the performance targets for such performance period. Payment may be made within 60 days of such determination. Any payment made in shares of common stock will be based upon the fair market value of the common stock on the payment date.

DIRECTOR COMPENSATION

Compensation of Directors Summary Table

The following table represents compensation paid in 2010 to our directors who are not “named executive officers.”

Name	Fees Earned or Paid in Cash (\$)	Stock Award (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Johan Dejager (1)(2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Yves van Sante (1)(2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Roderick de Greef (3)	\$ 0	\$ 256,729	\$ 0	\$ 0	\$ 0	\$ 0	\$ 256,729
Phil Hickman (4)	\$ 0	\$ 172,898	\$ 0	\$ 0	\$ 0	\$ 0	\$ 172,898

- (1) In 2010 no compensation was paid to the above directors as a result of the fact that each of the above-named directors was granted shares of restricted common stock already in 2008, which vested immediately, for their continued service on our Board of Directors through December 31, 2010. As a result and in accordance with accounting rules, the table does not show compensation for 2010.
- (2) We granted to QAT Investments SA on behalf of each of Messrs. Dejager and van Sante, on November 17, 2008, respectively, 500,000 shares of our common stock for their continued service on our Board of Directors through December 31, 2010.
- (3) On April 1, 2010 we granted 146,702 shares of our common stock to Mr. de Greef for his continued service on our Board of Directors through December 31, 2010. The grant resulted from the agreement that Mr. de Greef was entitled to a cash compensation of € 61,250. Based upon the calculation of a fair value equal to that cash compensation we adopted a valuation based upon the conditions provided to investors of the 2009 Convertible Promissory Note. Hence, the € 61,250 translated into 146,702 shares. However, from an accounting point of view these shares had to be fair valued based on the share price of the date of grant. Consequently, we reported a value of \$ 256,729 on the date of issuance which vested immediately.
- (4) Mr. Hickman was appointed in our Board as of March 30, 2010. On April 1, 2010, we granted 98,977 shares of our common stock to PGH Business Solutions, Ltd. On behalf of Mr. Hickman for his service on our Board of Directors through December 31, 2010. The grant resulted from the agreement that Mr. Hickman was entitled to a cash compensation of € 41,250. Based upon the calculation of a fair value equal to that cash compensation we adopted a valuation based upon the conditions provided to investors of the 2009 Convertible Promissory Note. Hence, the € 41,250 translated into 98,977 shares. However, from an accounting point of view these shares had to be fair valued based on the share price of the date of grant. Consequently, we reported a value of \$ 172,898 on the date of issuance which vested immediately. In addition, in 2010 Mr. Hickman was paid by Validsoft, Ltd., a subsidiary of the Company, GBP 60,000 to PGH Business Solutions Ltd. for services provided during the year by Mr. Hickman to Validsoft.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF STEVEN VAN DER VELDEN, MARTIN ZUURBIER, JACQUES D. KERREST, JOHAN DEJAGER, RODERICK DE GREEF, PHIL HICKMAN AND RIJKMAN GROENINK TO SERVE ON THE COMPANY’S BOARD OF DIRECTORS, TO HOLD OFFICE UNTIL THE 2012 ANNUAL MEETING OF STOCKHOLDERS OR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED OR UNTIL THEIR EARLIER RESIGNATION OR REMOVAL.

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REINCORPORATION OF THE COMPANY FROM CALIFORNIA TO DELAWARE

Overview

On July 13, 2011, ETAK's Board of Directors approved the reincorporation of the Company from California to Delaware by means of a merger of the Company with and into a wholly-owned subsidiary of the Company, Elephant Talk Communications Corp., a Delaware corporation ("ETAK (Delaware)", recently established to effect the reincorporation. ETAK (Delaware) will survive the merger and issue one share of its common stock for each outstanding share of the Company's common stock in connection with the merger (the "Reincorporation"). The name of the Delaware corporation, which will be the successor to the Company, will be Elephant Talk Communication Corp.

The Board of Directors believes that the Reincorporation in Delaware will give ETAK a greater measure of flexibility in corporate governance than is currently available under California law, and will help ETAK attract and retain its directors and officers. ETAK's Board of Directors also believes Delaware's corporate laws are generally more modern, flexible, highly developed and more predictable than California's corporate laws. Delaware corporate laws are also periodically revised to be responsive to the changing legal and business needs of corporations. For this reason, many public corporations have initially incorporated in Delaware or have changed their corporate domiciles to Delaware in a manner similar to that proposed by ETAK.

Shareholders are urged to read the Proxy Statement carefully, including the related Appendices referenced below and attached to this Proxy Statement, before voting on the Reincorporation. The following discussion summarizes material provisions of the Reincorporation. This summary is subject to and qualified in its entirety by the Agreement and Plan of Merger (the "Reincorporation Agreement") that will be entered into by the Company and ETAK (Delaware) in substantially the form attached hereto as Appendix A and the Certificate of Incorporation of ETAK (Delaware) to be effective after the Reincorporation, in substantially the form attached hereto as Appendix B (the "Delaware Certificate") and the Bylaws of ETAK (Delaware) to be effective after the Reincorporation (the "Delaware Bylaws"), in substantially the form attached hereto as Appendix C. Copies of the Articles of Incorporation of the Company filed in California, as amended to date (the "California Articles"), and the Bylaws of the Company, as amended to date (the "California Bylaws"), were filed publicly as exhibits to our periodic reports and are also available for inspection at the principal office of the Company. Copies will be sent to shareholders free of charge upon written request to Corporate Secretary, Elephant talk Communications Corp., 19103 Centre Rose Boulevard, Lutz, FL 33558.

Mechanics of the Reincorporation

The Reincorporation will be effected by the merger of the Company with and into ETAK (Delaware), a wholly-owned subsidiary of the Company that has been recently incorporated under the Delaware General Corporation Law (the "DGCL") for purposes of the Reincorporation. The Company will cease to exist as a result of the merger and ETAK (Delaware) will be the surviving corporation and will continue to operate the business of the Company as it existed prior to the Reincorporation. Assuming approval by the shareholders of the Company, the Company currently intends to cause the Reincorporation to become effective shortly following the Special Meeting, scheduled for September 9, 2011.

At the effective time of the Reincorporation (the “Effective Time”), the Company will be governed by the Delaware Certificate, the Delaware Bylaws and the DGCL. Although the Delaware Certificate and the Delaware Bylaws of the surviving company are patterned after the California Articles and the California Bylaws of the current ETAK company, they nevertheless include provisions that are somewhat different from the provisions contained in the current California Articles, California Bylaws or under the California General Corporation Law. See “*Significant Differences Between the Corporation Laws of California and Delaware*” beginning on page 36.

In the event the Reincorporation is approved, upon the Effective Time, each outstanding share of ETAK common stock will automatically be converted into one share of common stock of ETAK (Delaware). In addition, each outstanding option to purchase shares of ETAK common stock will be converted into an option to purchase the same number of shares of ETAK (Delaware) common stock with no other changes in the terms and conditions of such options. In addition, each outstanding warrant to purchaser shares of ETAK common stock will become a right to purchase the same number of shares of ETAK (Delaware) common stock at the same exercise price. The Company’s other employee benefit arrangements including, but not limited to, equity incentive plans with respect to issued unvested restricted stock, will be continued by ETAK (Delaware) upon the terms and subject to the conditions specified in such plans. Each outstanding share of ETAK (Delaware) common stock prior to the Effective Time will be cancelled upon the Effective Time and will thereafter be authorized and unissued common stock of ETAK (Delaware).

CERTIFICATES CURRENTLY ISSUED FOR SHARES IN THE COMPANY WILL AUTOMATICALLY REPRESENT SHARES IN ETAK (DELAWARE) UPON COMPLETION OF THE MERGER, AND SHAREHOLDERS WILL NOT BE REQUIRED TO EXCHANGE STOCK CERTIFICATES AS A RESULT OF THE REINCORPORATION.

Other than the change in corporate domicile, the Reincorporation will not result in any change in the business, physical location, management, assets, liabilities or net worth of the Company, nor will it result in any change in location of ETAK’s current employees, including management. Upon consummation of the Reincorporation, the daily business operations of the Company will continue as they are presently conducted at the Company’s principal executive office located at 19103 Centre Rose Boulevard Lutz, FL 33558. The consolidated financial condition and results of operations of ETAK (Delaware) immediately after consummation of the Reincorporation will be the same as those of the Company immediately prior to the consummation of the Reincorporation. In addition, upon the effectiveness of the merger, the Board of Directors of ETAK (Delaware) will consist of those persons elected to the current Board of Directors of the Company, and will continue to serve for the term of their respective elections to the Company’s Board, and the individuals serving as executive officers of the Company immediately prior to the Reincorporation will continue to serve as executive officers of ETAK (Delaware), without a change in title or responsibilities. Upon effectiveness of the Reincorporation, ETAK (Delaware) will be the successor in interest to the Company and the shareholders will become stockholders of ETAK (Delaware).

The Reincorporation Agreement provides that the Board of Directors of ETAK may abandon the Reincorporation at any time prior to the Effective Time if the Board of Directors determines that the Reincorporation is inadvisable for any reason. For example, the DGCL or the California General Corporation Law may be changed to reduce the benefits that the Company hopes to achieve through the Reincorporation, or the costs of operating as a Delaware corporation may be increased, although the Company does not know of any such changes. The Reincorporation Agreement may be amended at any time prior to the Effective Time, either before or after the shareholders have voted to adopt the proposal, subject to applicable law. The Company will re-solicit shareholder approval of the Reincorporation if the terms of the Reincorporation Agreement are changed in any material respect.

Principal Reasons for the Reincorporation

The Board of Directors believes that any direct benefit that the DGCL provides to a corporation indirectly benefits the shareholders, who are the owners of the Company. The Board believes that there are several reasons why a reincorporation to Delaware is in the best interests of the Company and its shareholders. As explained in more detail below, these reasons can be summarized as follows:

- enhanced flexibility to declare dividends and engage in stock repurchase programs;
- greater predictability, flexibility and responsiveness of the DGCL to corporate needs through a more highly developed and predictable body of corporate law;
- access to specialized courts;
- enhanced ability of Delaware corporations to attract and retain qualified directors and executive officers; and
- greater access to capital.

Highly Developed and Predictable Corporate Law. Our Board of Directors believes Delaware has one of the most modern statutory corporation laws, which is revised regularly to meet changing legal and business needs of corporations. The Delaware legislature is responsive to developments in modern corporate law and Delaware has proven sensitive to changing needs of corporations and their shareholders. The Delaware Secretary of State is particularly flexible and responsive in its administration of the filings required for mergers, acquisitions and other corporate transactions. Delaware has become a preferred domicile for most major American corporations and the DGCL and administrative practices have become comparatively well-known and widely understood. As a result of these factors, it is anticipated that the DGCL will provide greater efficiency, predictability and flexibility in the Company's legal affairs than is presently available under California law.

Access to Specialized Courts. Delaware has a specialized Court of Chancery that hears corporate law cases. As the leading state of incorporation for both private and public companies, Delaware has developed a vast body of corporate law that helps to promote greater consistency and predictability in judicial rulings. In addition, Chancery Court actions and appeals from Chancery Court rulings proceed expeditiously. In contrast, California does not have a similar specialized court established to hear only corporate law cases. Rather, disputes involving questions of California corporate law are either heard by the California Superior Court, the general trial court in California that hears all manner of cases, or, if federal jurisdiction exists, a federal district court.

Recruiting and Retention Benefits. We are in a highly competitive industry and compete for talented individuals to serve on our management team and on our Board of Directors. The Board believes that the better understood and comparatively stable corporate environment afforded by Delaware will better enable the Company to recruit talented and experienced directors and officers. In seeking to attract outside directors from across the country, the Board believes that being governed by a more predictable body of statutory and case law offered by Delaware could serve as an advantage in this area. The Company believes that the better understood, and comparatively stable corporate environment afforded by Delaware will enable it to compete more effectively with other public companies, most of which are incorporated in Delaware, in the recruitment, from time to time, of talented and experienced directors and officers.

Additionally, the parameters of director and officer liability are more extensively addressed in Delaware court decisions and are therefore better defined and better understood than under California law. ETAK's Board believes that reincorporation in Delaware will enhance the Company's ability to recruit and retain directors and officers in the future, while providing appropriate protection for shareholders from possible abuses by directors and officers. In this regard, it should be noted that directors' personal liability is not, and cannot be, eliminated under the DGCL for intentional misconduct, bad faith conduct or any transaction from which the director derives an improper personal benefit.

Greater Access to Capital. Underwriters and other members of the financial services industry may be more willing and better able to assist in capital-raising programs for ETAK following the Reincorporation because Delaware law is better understood than California law. The Company has no present intention to raise capital at this time.

ETAK is generally not seeking to change the current charter and Bylaw provisions of the Company through reincorporation and, except for those changes described below, this proposal does not seek to alter the rights of the shareholders or the rules by which ETAK operates or by which its affairs are governed.

Possible Negative Considerations

Notwithstanding the belief of the Board of Directors as to the benefits to the shareholders of the Reincorporation, it should be noted that Delaware law has been criticized by some commentators and institutional shareholders on the grounds that it does not afford minority shareholders the same substantive rights and protections as are available in a number of other states. The Reincorporation of ETAK in Delaware may make it more difficult for minority shareholders to elect directors and influence ETAK's policies. It should also be noted that the interests of the Board of Directors, management and affiliated shareholders in voting on the Reincorporation proposal may not be the same as those of unaffiliated shareholders. Delaware franchise tax may be higher than that in California. For a comparison of shareholders' rights and the power of management under Delaware and California law, see "*The Charters and Bylaws of the Company and ETAK (Delaware) Compared and Contrasted*" beginning on page 32 and "*Significant Differences Between the Corporation Laws of California and Delaware*" beginning on page 36. In addition, franchise taxes in Delaware may be greater than in California.

The Board of Directors has considered the potential disadvantages of the Reincorporation and has concluded that the potential benefits outweigh the possible disadvantages.

Board of Directors Recommendation

For the reasons described in this Proxy Statement, ETAK's Board of Directors recommends unanimously that you vote "FOR" approval of the Reincorporation Proposal.

The Charters and Bylaws of the Company and ETAK (Delaware) Compared and Contrasted

With certain exceptions, the provisions of the Delaware Certificate and Delaware Bylaws are the same as, or as consistent as possible with, those of the California Articles and California Bylaws. However, the Reincorporation includes the implementation of certain provisions in the Delaware Certificate and Delaware Bylaws which are required by the DGCL and which may alter the rights of shareholders and the powers of management and reduce shareholder participation in certain important corporate decisions.

Certain of the provisions in the Delaware Certificate and the Delaware Bylaws, similar to those contained the California Articles and California Bylaws, may, however, facilitate future efforts to deter, delay or prevent changes in control of ETAK (Delaware). Such provisions include the following:

Delaware Certificate. The Delaware Certificate (similar to the California Articles) authorizes 250,000,000 shares of common stock and 50,000,000 shares of preferred stock and gives the Board the authority, within the limitations in the Delaware Certificate, to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any unissued series of preferred stock. Shares of preferred stock could be issued in connection with a shareholder rights plan, or poison pill or rights plan, which would allow shareholders (other than hostile parties) to purchase ETAK (Delaware) common stock at a discount to the then current market price, which would have a dilutive effect on the hostile parties.

Section 203. ETAK (Delaware) has not opted out of Section 203 of the DGCL and will be subject to it. As discussed in more detail below, Section 203 prohibits, subject to certain exceptions, a Delaware corporation from engaging in a business combination with an interested shareholder (*i.e.* , a shareholder acquiring 15% or more of the outstanding voting stock) for three years following the date that such shareholder becomes an interested shareholder. Shareholders holding 15% or more of ETAK (California) stock on the effective date of the Reincorporation (if approved), including our Executive Chairman of the Board, will not be subject to the restrictions contained in Section 203. Section 203 makes certain types of unfriendly or hostile corporate takeovers, or other non-board approved transactions involving a corporation and one or more of its significant shareholders, more difficult.

Bylaw Amendments. The Delaware Bylaws, similar to the California Bylaws, permit both the shareholders of ETAK (Delaware) and a majority of the directors to amend the Delaware Bylaws. This power to amend the Delaware Bylaws may be used to deter, delay or prevent a change in control of ETAK (Delaware). In particular, as described below, the Delaware Bylaws impose time frames by which director nominations and shareholder proposals may be made by shareholders of ETAK (Delaware).

Approval by shareholders of the Reincorporation proposal will constitute an approval of the inclusion in the Delaware Certificate and Delaware Bylaws of each of the provisions described herein. In addition, certain other changes altering the rights of shareholders and powers of management could be implemented in the future by amendment of the Delaware Certificate following shareholder approval and certain such changes could be implemented by amendment of the Delaware Bylaws without shareholder approval. For a discussion of such changes, see “*Significant Differences Between the Corporation Laws of California and Delaware*.” This discussion of the Delaware Certificate and Delaware Bylaws is qualified by reference to Appendices B and C attached hereto, respectively.

Change in Number of Directors

Under the California General Corporation Law, although a change in the number of directors must in general be approved by the shareholders, the board of directors may fix the exact number of directors within a stated range set forth in either the articles of incorporation or bylaws, if that stated range has been approved by the shareholders. Any change outside of the established range or a change in the established range must be approved by the shareholders. The California Bylaws provide that a change in the stated range must be approved by a vote of the holders of at least 66 2/3% of the outstanding shares; provided, however, that an amendment reducing the fixed number or the minimum number of directors to a number less than five (5) cannot be adopted if the votes cast against its adoption at a meeting of the shareholders are equal to more than sixteen and two-thirds percent (16 2/3%) of the outstanding shares entitled to vote thereon.

Under the DGCL, the number of directors shall be fixed by or in the manner provided in the bylaws, unless the certificate of incorporation fixes the number of directors (in which case a change in the number of directors may be made only by an amendment of such certificate, which would require a vote of shareholders).

Both the California Bylaws and the Delaware Bylaws establish a range of six (6) to eleven (11) directors, and following the Reincorporation, under the Delaware Bylaws, the board of directors may fix the number of directors within the stated range and the approval of the holders of at least a majority of the outstanding shares would be required to change the stated range of directors, as would be the case in California.

Filling Vacancies on the Board of Directors

Under California law, any vacancy on the board of directors other than one created by removal of a director may be filled by the board. If the number of directors is less than a quorum, a vacancy may be filled by the unanimous written consent of the directors then in office, by the affirmative vote of a majority of the directors at a meeting held pursuant to notice or waivers of notice, or by a sole remaining director. A vacancy created by removal of a director may be filled by the board only if authorized by a corporation's articles of incorporation or by a bylaw approved by the corporation's shareholders. The California Bylaws follow California law and provide that all vacancies on the Board of Directors, whether caused by removal, resignation, death or otherwise, may be filled by a majority of the remaining directors or, if the number of directors then in office is less than a quorum, by the unanimous written consent of the directors then in office, the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with California Corporations Code Section 307, or by a sole remaining director.

Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director, unless otherwise provided in the certificate of incorporation or bylaws. The Delaware Bylaws follow Delaware law and provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director, unless the board of directors determines that the stockholders shall fill any such vacancy or newly created directorship.

Shareholder Proposal Notice Provisions

There is no specific statutory requirement under California or Delaware law with regard to advance notice of director nominations and shareholder proposals. Absent a bylaw restriction, director nominations and shareholder proposals are subject to federal securities laws, which generally provide that shareholder proposals that the proponent wishes to include in the Company's proxy materials must be received not less than 120 days in advance of the anniversary of the date on which the proxy statement was released in connection with the previous year's annual meeting.

The California Bylaws provide that notice containing the name of any person to be nominated by any shareholder for election as a director of the Company together with other specified information relating to the nominee shall be delivered to the Secretary of the Company not less than 120 nor more than 150 calendar days prior to the anniversary date of the date (as specified in the Company's proxy materials for its immediately preceding annual meeting of shareholders) on which the Company first mailed its proxy materials for its immediately preceding annual meeting of shareholders; provided, however, that in the event the annual meeting is called for a date that is not within 30 calendar days of the anniversary date of the date on which the immediately preceding annual meeting of shareholders was called, to be timely, notice by the shareholder must be so received not later than the close of business on the 10th calendar day following the day on which public announcement of the date of the annual meeting is first made.

The Delaware Bylaws provide that notice must be received by the Secretary at ETAK's principal executive offices not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) 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 advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received 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 the tenth (10th) day following the day on which public announcement of the date of such meeting is first made.

Majority Voting

California law provides that in uncontested elections of directors, the approval of the shareholders, as defined in Section 153 of the California Corporations Code, will be required to elect each director. If an incumbent director fails to be elected by approval of the shareholders in an uncontested election, then, unless the incumbent director has earlier resigned, the term of the incumbent director shall end on the date that is the earlier of ninety (90) days after the date on which the voting results are determined or the date on which the Board selects a person to fill the office held by such incumbent director.

Under the DGCL, shareholders can adopt a bylaw amendment that specifies the vote necessary for the election of directors, such as a majority vote. Additionally, the DGCL specifically allows a director to tender his or her resignation in advance, with the resignation to be effective when delivered, at a later date or only upon the occurrence of future events, such as not obtaining a majority of the vote in an uncontested election of directors. The Delaware Bylaws provide for majority voting for the election of directors. However, if the number of nominees to the board of directors exceeds the number of directors to be elected, the directors shall be elected by plurality voting.

Significant Differences Between the Corporation Laws of California and Delaware

The General Corporation Laws of California and Delaware differ in many respects and, consequently, it is not practical to summarize all of the differences in this Proxy Statement. The following provides a summary of major substantive differences between the California General Corporation Law and the DGCL beyond those discussed in "The Charters and Bylaws of the Company and ETAK (Delaware) Compared and Contrasted" above. The following is not intended to be an exhaustive description of all differences between the laws of the two states. Accordingly, all statements herein are qualified in their entirety by reference to the respective General Corporation Laws of California and Delaware.

Shareholder Voting in Acquisitions

The California and Delaware laws are substantially similar in terms of when shareholder approval is required for a corporation to undertake various types of acquisition transactions. Both California and Delaware law generally require that the holders of the outstanding shares representing a majority of the voting power of both the acquiring and target corporations approve a statutory merger. In addition, both California and Delaware law require that a sale of all or substantially all of the assets of a corporation be approved by the holders of the outstanding shares representing a majority of the voting power of the corporation selling its assets.

The DGCL does not require a shareholder vote of the surviving corporation in a merger (unless provided otherwise in the corporation's certificate of incorporation) if:

- The merger agreement does not amend the existing certificate of incorporation;
- Each share of stock of the surviving corporation outstanding immediately before the transaction is an identical outstanding share after the merger; and
- Either:
 - no shares of common stock of the surviving corporation (and no shares, securities or obligations convertible into such stock) are to be issued in the merger, or
 - the shares of common stock of the surviving corporation to be issued in the merger (including shares issuable upon conversion of any other shares, securities or obligations to be issued in the merger) do not exceed twenty percent (20%) of the shares of common stock of the surviving corporation outstanding immediately prior to the transaction.

California law contains a similar exception to its voting requirements for reorganizations, where shareholders or the corporation itself immediately prior to the reorganization will own immediately after the reorganization equity securities constituting more than five-sixths (5/6) of the voting power of the surviving or acquiring corporation or its parent entity.

Limitations on Certain Business Combinations

Delaware, like a number of states, has adopted special laws designed to make certain kinds of “unfriendly” or “hostile” corporate takeovers, or other non-board approved transactions involving a corporation and one or more of its significant shareholders, more difficult.

Under Section 203 of the Delaware statute, a Delaware corporation is prohibited from engaging in a “business combination” with an “interested shareholder” for three years following the date that such person or entity becomes an interested shareholder. With certain exceptions, an interested shareholder is a person or entity that owns, individually or with or through other persons or entities, fifteen percent (15%) or more of the corporation's outstanding voting stock (including rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and also stock as to which the person has voting rights only). The three-year moratorium imposed by Section 203 on business combinations does not apply if:

- Prior to the date on which the interested shareholder becomes an interested shareholder, the board of directors of the corporation approves either the business combination or the transaction that resulted in the person or entity becoming an interested shareholder;
- Upon consummation of the transaction that makes the person or entity an interested shareholder, the interested shareholder owns at least eighty-five percent (85%) of the corporation's voting stock outstanding at the time the transaction commenced (excluding, for purposes of determining voting stock outstanding, shares owned by directors who are also officers of the corporation and shares held by employee stock plans that do not give employee participants the right to decide confidentially whether to accept a tender or exchange offer); or
- On or after the date the person or entity becomes an interested shareholder, the business combination is approved both by the board of directors and by the shareholders at a meeting by sixty-six and two-thirds percent (66 2/3 %) of the outstanding voting stock not owned by the interested shareholder.

California law does not have a section similar to Delaware Section 203, but it does have different provisions that may limit a corporation's ability to engage in certain business combinations. California law requires that, in a merger of a corporation with a shareholder (or its affiliate) who holds more than fifty percent (50%) but less than ninety percent (90%) of the corporation's common stock, the other shareholders of the corporation must receive common stock in the transaction, unless all the corporation's shareholders consent to the transaction. This provision of California law may have the effect of making a "cash-out" merger by a majority shareholder (possibly as the second step in a two-step merger) more difficult to accomplish. Delaware law does not have an analogue to the California law in this respect. However, under some circumstances Section 203 does provide similar protection to shareholders against coercive two-tiered bids for a corporation in which the shareholders are not treated equally.

California law also provides that, except in certain circumstances, when a tender offer or a proposal for a reorganization or sale of assets is made by an interested party (generally a controlling or managing party of the corporation), the interested party must provide the other shareholders with an affirmative written opinion as to the fairness of the consideration to be paid to the shareholders. This fairness opinion requirement does not apply to corporations that have fewer than 100 shareholders of record or to a transaction that has been qualified under California state securities laws. Furthermore, if a tender of shares or a vote is sought pursuant to an interested party's proposal and a later proposal is made by another party at least 10 days prior to the date of acceptance of the interested party's proposal, the shareholders must be informed of the later offer and be afforded a reasonable opportunity to withdraw their vote, consent or proxy, and to withdraw any tendered shares. The DGCL has no comparable provision.

Cumulative Voting

Under California law, any shareholder may cumulate his or her votes in the election of directors upon proper notice of his or her intention to do so, except that corporations with securities listed on the American or New York Stock Exchanges or on the NASDAQ Global Select Market may eliminate cumulative voting with shareholder approval. The California Bylaws allows the Company to eliminate cumulative voting for the election of directors for so long as the Company remains a listed corporation within the meaning of section 301.5 of the California Corporations Code. Under the DGCL, cumulative voting in the election of directors is not mandatory and the Delaware Certificate does not provide for cumulative voting.

In an election of directors under cumulative voting, each share of voting stock is entitled to vote the number of votes to which such share would normally be entitled, multiplied by the number of directors to be elected. A shareholder may then cast all such votes for a single candidate or may allocate them among as many candidates as the shareholder may choose. Cumulative voting may enable a minority shareholder or group of shareholders to elect at least one representative to the board. Without cumulative voting, the holders of a majority of the shares present at an annual meeting would have the power to elect all the directors to be elected at that meeting, and no person could be elected without the support of a majority of the shareholders voting. Without cumulative voting, any director or the entire board of directors of a corporation may be removed with or without cause with the approval of a majority of the outstanding shares entitled to vote at an election of directors.

Removal of Directors

In general, under California law, any director, or the entire board of directors, may be removed, with or without cause, with the approval of a majority of the outstanding shares entitled to vote. In the case of a corporation with cumulative voting or whose board is classified, however, no individual director may be removed (unless the entire board is removed) if the number of votes cast against such removal would be sufficient to elect the director under cumulative voting rules. In addition, shareholders holding at least ten percent (10%) of the outstanding shares of any class may bring suit to remove any director in case of fraudulent or dishonest acts or gross abuse of authority or discretion.

Under the DGCL, any director, or the entire board of directors, of a corporation that does not have a classified board of directors or cumulative voting may be removed with or without cause with the approval of a majority of the outstanding shares entitled to vote at an election of directors. In the case of a Delaware corporation whose board is classified, unless the certificate of incorporation provides otherwise, shareholders may effect such removal only for cause. In addition, as in California, if a Delaware corporation has cumulative voting, and if less than the entire board is to be removed, a director may not be removed without cause by a majority of the outstanding shares if the votes cast against such removal would be sufficient to elect the director under cumulative voting rules. Delaware law also permits a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with the removal of directors.

The California Articles and California Bylaws do not provide for a classified board of directors, nor do they permit cumulative voting for so long as the Company remains a listed corporation within the meaning of Section 301.5 of the California Corporations Code. The Delaware Certificate and Delaware Bylaws similarly do not provide for a classified Board or cumulative voting; however, if the Company were not to remain a listed corporation as defined in Section 301.5 of the California Corporations Code, and remain domiciled in California, shareholders would be entitled to cumulate votes for the election of directors.

Shareholder Power to Call Special Shareholders' Meeting

Under California law, a special meeting of shareholders may be called by the board of directors, the Chairman of the Board, the President, the holders of shares entitled to cast not less than 10% of the votes at such meeting and such persons as are authorized by the articles of incorporation or bylaws. Under the DGCL, a special meeting of shareholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or the bylaws. Although permitted to do so, the Delaware Bylaws do not eliminate the right of shareholders to call a special meeting; instead, to remain consistent with the California Bylaws, the Delaware Bylaws provide that such a meeting may be called by ETAK (Delaware)'s Board, the Chairman of the ETAK (Delaware) Board, the Chief Executive Officer or the holders of shares entitled to cast not less than 10% of the votes at such meeting.

Limitation of Liability and Indemnification

California and Delaware have similar laws respecting the liability of directors of a corporation and the indemnification by the corporation of its officers, directors, employees and other agents for damages they incur. The laws of both states also permit corporations to adopt a provision in their charters eliminating the liability of a director to the corporation or its shareholders for monetary damages for breach of the director's fiduciary duty of care. Nonetheless, as discussed below, there are certain differences between the laws of the two states respecting indemnification and limitation of liability. In general, Delaware law is somewhat broader in allowing corporations to indemnify and limit the liability of corporate agents, which the Board believes, among other things, helps Delaware corporations in attracting and retaining outside directors.

Elimination of Director Personal Liability for Monetary Damages

One provision of the revised DGCL permits a corporation to include a provision in its certificate of incorporation which limits or eliminates the personal liability of a director for monetary damages arising from breaches of his or her fiduciary duties to the corporation or its shareholders, subject to certain exceptions. Such a provision may not, however, eliminate or limit director monetary liability for:

- breaches of the director's duty of loyalty to the corporation or its shareholders;
- acts or omissions not in good faith or involving intentional misconduct or knowing violations of law;

- the payment of unlawful dividends or unlawful stock repurchases or redemptions; or
- transactions in which the director received an improper personal benefit.

Such a limitation of liability provision also may not limit a director's liability for violation of, or otherwise relieve the Company or directors from the necessity of complying with, federal or state securities laws, or affect the availability of non-monetary remedies such as injunctive relief or rescission.

California law contains similar authorization for a corporation to eliminate the personal liability of directors for monetary damages, except where such liability is based on:

- intentional misconduct or knowing and culpable violation of law;
- acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders or that involve the absence of good faith on the part of the director;
- receipt of an improper personal benefit;
- acts or omissions that show reckless disregard for the director's duty to the corporation or its shareholders, where the director in the ordinary course of performing a director's duties should be aware of a risk of serious injury to the corporation or its shareholders;
- acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation and its shareholders;
- transactions between the corporation and a director who has a material financial interest in such transaction; and
- liability for improper distributions, loans or guarantees.

In the present case, the current California Articles eliminate the liability of directors to the Company for monetary damages to the fullest extent permissible under California law. The Delaware Certificate similarly eliminates the liability of directors to the Company for monetary damages to the fullest extent permissible under Delaware law. As a result, following the Reincorporation, directors of ETAK (Delaware) cannot be held liable for monetary damages even for gross negligence or lack of due care in carrying out their fiduciary duties as directors, so long as that gross negligence or lack of due care does not involve bad faith or a breach of their duty of loyalty to the Company.

Indemnification

California law requires indemnification when the individual has defended the action successfully on the merits. Delaware law requires indemnification of expenses when the individual being indemnified has successfully defended any action, claim, issue or matter therein, on the merits or otherwise. Delaware law generally permits indemnification of expenses, including attorneys' fees, actually and reasonably incurred in the defense or settlement of a derivative or third-party action, provided there is a determination by a majority vote of a disinterested quorum of the directors, by independent legal counsel or by the shareholders that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in best interests of the corporation. Without court approval, however, no indemnification may be made in respect of any derivative action in which such person is adjudged liable for negligence or misconduct in the performance of his or her duty to the corporation. Expenses incurred by an officer or director in defending an action may be paid in advance under Delaware law or California law, if the director or officer undertakes to repay such amounts if it is ultimately determined that he or she is not entitled to indemnification. In addition, the laws of both states authorize a corporation to purchase indemnity insurance for the benefit of its officers, directors, employees and agents whether or not the corporation would have the power to indemnify against the liability covered by the policy.

California law permits a California corporation to provide rights to indemnification beyond those provided therein to the extent such additional indemnification is authorized in the corporation's articles of incorporation. Thus, if so authorized, rights to indemnification may be provided pursuant to agreements or bylaw provisions which make mandatory the permissive indemnification provided by California law. The California Articles authorize indemnification to the fullest extent permissible under California law. Delaware law also permits a Delaware corporation to provide indemnification in excess of that provided by statute. Delaware law does not require authorizing provisions in the certificate of incorporation.

Inspection of Shareholder Lists and Books and Records

Both California and Delaware law allow any shareholder to inspect a corporation's shareholder list for a purpose reasonably related to the person's interest as a shareholder. California law provides, in addition, for an absolute right to inspect and copy the corporation's shareholder list by persons holding an aggregate of five percent (5%) or more of the corporation's voting shares, or shareholders holding an aggregate of 1% or more of such shares who have contested the election of directors. Delaware law also allows the shareholders to inspect the list of shareholders entitled to vote at a meeting within a ten-day period preceding a shareholders' meeting for any purpose germane to the meeting. Delaware law, however, contains no provisions comparable to the absolute right of inspection provided by California law to certain shareholders.

Under California law any shareholder may examine the accounting books and records and the minutes of the shareholders and the board and its committees, provided that the inspection is for a purpose reasonably related to the shareholder's interests as a shareholder. The DGCL may be slightly more favorable to shareholders in this respect, in that a shareholder with a proper purpose is not limited to inspecting accounting books and records and minutes, and may examine other records as well. In addition, California law limits the right of inspection of shareholder lists to record shareholders, whereas Delaware has extended that right to beneficial owners of shares.

Appraisal Rights

Under both California and Delaware law, a shareholder of a corporation participating in certain major corporate transactions may, under varying circumstances, be entitled to appraisal rights, by which the shareholder may demand to receive cash in the amount of the fair market value of his or her shares in lieu of the consideration he or she would otherwise receive in the transaction.

Under Delaware law, fair market value is determined without reference to any element of value arising from the accomplishment or expectation of the merger or consolidation, and appraisal rights are generally not available to:

- shareholders with respect to a merger or consolidation by a corporation the shares of which are either listed on a national securities exchange or are held of record by more than 2,000 holders if such shareholders receive only shares of the surviving corporation or shares of any other corporation that are either listed on a national securities exchange or held of record by more than 2,000 holders;
- shareholders of a corporation surviving a merger if no vote of the shareholders of the surviving corporation is required to approve the merger under Delaware law.

The limitations on the availability of appraisal rights under California law are different from those under Delaware law. Shareholders of a California corporation whose shares are listed on a national securities exchange generally do not have such appraisal rights unless the holders of at least 5% of the class of outstanding shares claim the right or the corporation or any law restricts the transfer of the shares to be received. Appraisal rights are also not available if the shareholders of a corporation or the corporation itself, or both, immediately prior to the reorganization will own immediately after the reorganization equity securities representing more than 5/6th of the voting power of the surviving or acquiring corporation or its parent entity. Thus, appraisal rights are not available to shareholders of the Company under California law with respect to the Reincorporation.

Dissolution

Under California law, the holders of 50% or more of a corporation's total voting power may authorize the corporation's dissolution, with or without the approval of the corporation's board of directors, and this right may not be modified by the articles of incorporation. Under Delaware law, unless the board of directors approves the proposal to dissolve, the dissolution must be unanimously approved by all the shareholders entitled to vote on the matter. Only if the dissolution is initially approved by the board of directors may the dissolution be approved by a simple majority of the outstanding shares entitled to vote. In addition, Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with such a board-initiated dissolution. In the present case, however, the Delaware Certificate contains no such supermajority voting requirement.

Interested Director Transactions

Under both California and Delaware law, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable simply because of such interest, provided that certain conditions, such as obtaining required disinterested approval and fulfilling the requirements of good faith and full disclosure, are met. With certain minor exceptions, the conditions are similar under California and Delaware law.

Shareholder Derivative Suits

California law provides that a shareholder bringing a derivative action on behalf of a corporation need not have been a shareholder at the time of the transaction in question, if certain tests are met. Under Delaware law, a shareholder may bring a derivative action on behalf of the corporation only if the shareholder was a shareholder of the corporation at the time of the transaction in question or if his or her stock thereafter came to be owned by him or her by operation of law.

California law also provides that the corporation or the defendant in a derivative suit may make a motion to the court for an order requiring the plaintiff shareholder to furnish a security bond. Delaware does not have a similar bonding requirement.

Dividends and Repurchases of Shares

Delaware law is more flexible than California law with respect to payment of dividends and implementing share repurchase programs. Delaware law generally provides that a corporation may redeem or repurchase its shares out of its surplus. In addition, Delaware law generally provides that a corporation may declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year. Surplus is defined as the excess of a corporation's net assets (i.e., its total assets minus its total liabilities) over the capital associated with issuances of its common stock. Moreover, Delaware law permits a board of directors to reduce its capital and transfer such amount to its surplus.

Under California law, a corporation may not make any distribution to its shareholders unless either:

- the corporation's retained earnings immediately prior to the proposed distribution equal or exceed the amount of the proposed distribution; or
- immediately after giving effect to the distribution, the corporation's assets (exclusive of goodwill, capitalized research and development expenses and deferred charges) would be at least equal to one and one fourth (1¹/₄) times its liabilities (not including deferred taxes, deferred income and other deferred credits), and the corporation's current assets would be at least equal to its current liabilities (or one and one fourth (1¹/₄) times its current liabilities if the average pre-tax and pre-interest expense earnings for the preceding two fiscal years were less than the average interest expense for such years).

These tests are applied to California corporations on a consolidated basis.

Interests of the Company's Directors and Executive Officers in the Reincorporation

In considering the recommendations of the Board, the Company's shareholders should be aware that certain of the Company's directors and executive officers have interests in the transaction that are different from, or in addition to, the interests of the Company's shareholders generally. For instance, the reincorporation in Delaware may be of benefit to the Company's directors and officers by reducing the director's potential personal liability and increasing the scope of permitted indemnification, by strengthening directors' ability to resist a takeover bid, and in other respects. The Board was aware of these interests and considered them, among other matters, in reaching its decision to approve the Reincorporation and to recommend that our shareholders vote in favor of the Proposal.

Appraisal/Dissenter's Rights

Under California law, Elephant Talk shareholders do not have appraisal rights in connection with the Reincorporation.

Certain Material United States Federal Income Tax Considerations

The Company intends that the Reincorporation will be treated as a reorganization pursuant to Section 368(a) of the Code. Subject to the limitations, qualifications and exceptions described herein, and assuming the Reincorporation qualifies as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences of the Reincorporation will be as follows:

- No gain or loss will be recognized by holders of the common stock of the Company upon receipt of common stock of ETAK (Delaware) pursuant to the Reincorporation;
- The aggregate tax basis of the common stock of ETAK (Delaware) received by each shareholder of the Company in the Reincorporation will be equal to the aggregate tax basis of the common stock of the Company surrendered in exchange therefor;
- The holding period of the common stock of ETAK (Delaware) received by each shareholder of the Company will include the period for which such shareholder held the common stock of the Company surrendered in exchange therefor, provided that such common stock of the Company was held by such shareholder as a capital asset at the time of the Reincorporation; and
- No gain or loss will be recognized by the Company or ETAK (Delaware) as a result of the Reincorporation.

THE PRECEDING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE REINCORPORATION AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL OF THE REINCORPORATION'S POTENTIAL TAX EFFECTS.

Accounting Consequences

We believe that there will be no material accounting consequences for us resulting from the Reincorporation.

Required Vote

The approval of the proposal to change our corporate domicile from California to Delaware will require the affirmative vote of the holders of a majority of the shares of the Company's common stock outstanding.

Recommendation

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE
STOCKHOLDERS VOTE “FOR” THE REINCORPORATION PROPOSAL.**

PROPOSAL 3
THE APPROVAL OF AN INCREASE IN NUMBER OF SHARES OF COMMON STOCK
AVAILABLE FOR ISSUANCE UNDER THE COMPANY'S
2008 LONG TERM INCENTIVE COMPENSATION PLAN

Introduction

The Board has adopted and is seeking stockholder approval of an amendment to the 2008 Long-Term Incentive Compensation Plan (the "Incentive Plan") to increase the number of shares of common stock that are available to be issued under the plan from 5,000,000 shares to 23,000,000 shares (subject to adjustment for stock splits, stock dividends and similar events). Of the 5,000,000 shares of common stock authorized for issuance under the Incentive Plan, only 66,549 shares remained available for future grants or awards as of July 5, 2011. While some additional shares may become available under Incentive Plan through employee terminations, this number is not expected to be significant.

The Board recommends this action in order to enable us to continue to provide equity compensation to attract and retain talented personnel, especially in the event of future acquisitions and anticipated future growth. The Board believes that stock options and other forms of equity compensation promote growth and provide a meaningful incentive to employees of successful companies and reduces the cash outlay .

As of July 6, 2011 there were 104,309,626 shares of our common stock outstanding. The increase of 18,000,000 shares of common stock available for grant under the Incentive Plan will result in additional potential dilution of our outstanding stock.

The following is a summary of the material terms of the 2010 Stock Option and Incentive Plan. The summary is qualified in its entirety by reference to the complete text of the 2010 Stock Option and Incentive Plan. Stockholders are urged to read the actual text of the 2010 Stock Option and Incentive Plan, as proposed to be amended, in its entirety which is set forth as Appendix D to this proxy statement.

Summary of the Incentive Plan, as Amended
Background

The Company's 2008 Long-Term Incentive Plan has been approved by the Company's Board of Directors. The purposes of our Incentive Plan are to create incentives designed to motivate our employees to significantly contribute toward our growth and profitability, to provide our executives, directors and other employees, and persons who, by their position, ability and diligence, are able to make important contributions to our growth and profitability, with an incentive to assist us in achieving our long-term corporate objectives, to attract and retain executives and other employees of outstanding competence, and to provide such persons with an opportunity to acquire an equity interest in us.

We may grant incentive and non-qualified stock options, stock appreciation rights, performance units, restricted stock awards and performance bonuses, or collectively, awards, to our officers and key employees, and those of our subsidiaries. In addition, the Incentive Plan authorizes the grant of non-qualified stock options and restricted stock awards to our directors and to any independent contractors and consultants who by their position, ability and diligence are able to make important contributions to our future growth and profitability. Generally, all classes of our employees are eligible to participate in our Incentive Plan. No options, restricted stock or other awards under the Incentive Plan have been made or committed to be made as of the date of this proxy statement.

The following is a summary of the material provisions of our Incentive Plan and is qualified in its entirety by reference to the complete text of our Incentive Plan, as amended, a copy of which is attached to this proxy statement as Annex “C”.

Stock Subject to the 2008 Incentive Plan, as Amended

We have reserved a maximum of 23,000,000 shares of our authorized common stock for issuance upon the exercise of awards to be granted pursuant to our Incentive Plan, as amended. Each share issued under an option or under a restricted stock award will be counted against this limit. Shares to be delivered at the time a stock option is exercised or at the time a restricted stock award is made may be available from authorized but unissued shares or from stock previously issued but which we have reacquired and hold in our treasury.

In the event of any change in our outstanding common stock by reason of any reorganization, recapitalization, stock split, stock dividend, combination of shares, asset acquisition, consolidation, issuance of rights or other similar transactions, the number of shares of our common stock which may be issued upon exercise of outstanding options, and the exercise price of options previously granted under our Incentive Plan, will be proportionally adjusted to prevent any enlargement or dilution of the rights of holders of previously granted options as may be appropriate to reflect any such transaction or event.

Administration

Our Board has established a compensation committee that, among other duties, administers the Incentive Plan. The compensation committee is composed of two members of the Board, a majority of whom will be “non-employee directors” within the meaning of Rule 16b-3(b)(3) of the Securities Exchange Act of 1934, as amended. Members of our compensation committee will serve at the pleasure of our Board. In connection with the administration of our Incentive Plan, the compensation committee, with respect to awards to be made to any person who is not one of our directors, will:

- determine which employees and other persons will be granted awards under our Incentive Plan;
- grant the awards to those selected to participate;
- determine the exercise price for options; and
- prescribe any limitations, restrictions and conditions upon any awards, including the vesting conditions of awards.

With respect to stock options or restricted stock awards to be made to any of our directors, the Compensation Committee will make recommendations to our Board of Directors as to:

- which of such persons should be granted stock options, restricted stock awards, performance units or stock appreciation rights;
- the terms of proposed grants of awards to those selected by our Board of Directors to participate;
- the exercise price for options; and
- any limitations, restrictions and conditions upon any awards.

Any grant of awards to any of directors under our Incentive Plan must be approved by our Board of Directors.

In addition, the compensation committee will:

- interpret our Incentive Plan; and
- make all other determinations and take all other action that may be necessary or advisable to implement and administer our Incentive Plan.

Types of Awards

Our Incentive Plan permits the Compensation Committee to grant the following types of awards.

Stock Options. Stock options are contractual rights entitling an optionee who has been granted a stock option to purchase a stated number of shares of our common stock at an exercise price per share determined at the date of the grant. Options are evidenced by stock option agreements with the respective optionees. The exercise price for each stock option granted under our Incentive Plan will be determined by our Board of Directors or a committee of the Board at the time of the grant, but will not be less than fair market value on the date of the grant. Our Board of Directors or a committee of the Board will also determine the duration of each option; however, no option may be exercisable more than ten years after the date the option is granted. Within the foregoing limitations, the Board of Directors or committee of the Board may, in its discretion, impose limitations on exercise of all or some options granted under our Incentive Plan, such as specifying minimum periods of time after grant during which options may not be exercised. Options granted under our Incentive Plan will vest at rates specified in the option agreement at the time of grant; however, all options granted under our Incentive Plan will vest upon the occurrence of a change of control, as defined in the Incentive Plan. Our Incentive Plan also contains provisions for our Board of Directors or a committee of the Board to provide in the participants' option award agreements for accelerating the right of an individual employee to exercise his or her stock option or restricted stock award in the event of retirement or other termination of employment. No cash consideration is payable to us in exchange for the grant of options.

Our Incentive Plan provides that the stock options may either be Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or Non-Qualified Options, which are stock options other than Incentive Stock Options within the meaning of Sections 422 of the Code. Incentive Stock Options may be granted only to our employees or employees of our subsidiaries, and must be granted at a per share option price not less than the fair market value of our common stock on the date the Incentive Stock Option is granted. In the case of an Incentive Stock Option granted to a stockholder who owns shares of our outstanding stock of all classes representing more than 10% of the total combined voting power of all of our outstanding stock of all classes entitled to vote in the election of directors, the per share option price must be not less than 110% of the fair market value of one share of our common stock on the date the Incentive Stock Option is granted and the term of such option may not exceed five years. As required by the Code, the aggregate fair market value, determined at the time an Incentive Stock Option is granted, of our common stock with respect to which Incentive Stock Options may be exercised by an optionee for the first time during any calendar year under all of our incentive stock option plans may not exceed \$100,000.

The exercise price for Non-Qualified Options may not be less than the fair market value of our common stock on the date the Non-Qualified Option is granted. Non-Qualified Options are not subject to any of the restrictions described above with respect to Incentive Stock Options. The exercise price of stock options may be paid in cash, in whole shares of our common stock, in a combination of cash and our common stock, or in such other form of consideration as our Board of Directors or the committee of the Board may determine, equal in value to the exercise price. However, only shares of our common stock which the option holder has held for at least six months on the date of the exercise may be surrendered in payment of the exercise price for the options. In no event may a stock option be exercised after the expiration of its stated term.

Stock Appreciation Rights. A stock appreciation right permits the grantee to receive an amount (in cash, common stock, or a combination thereof) equal to the number of stock appreciation rights exercised by the grantee multiplied by the excess of the fair market value of our common stock on the exercise date over the stock appreciation rights' exercise price. Stock appreciation rights may or may not be granted in connection with the grant of an option. The exercise price of stock appreciation rights granted under the Incentive Plan will be determined by the Board of Directors or a committee of the Board; provided, however, that such exercise price cannot be less than the fair market value of a share of common stock on a date the stock appreciation right is granted (subject to adjustments). A stock appreciation right may be exercised in whole or in such installments and at such times as determined by the Board of Directors or a committee of the Board.

Restricted Stock. Restricted shares of our common stock may be granted under our Incentive Plan subject to such terms and conditions, including forfeiture and vesting provisions, and restrictions against sale, transfer or other disposition as the Board of Directors or a committee of the Board may determine to be appropriate at the time of making the award. In addition, the Board of Directors or a committee of the Board may direct that share certificates representing restricted stock be inscribed with a legend as to the restrictions on sale, transfer or other disposition, and may direct that the certificates, along with a stock power signed in blank by the grantee, be delivered to and held by us until such restrictions lapse. The Board of Directors or a committee of the Board, in its discretion, may provide in the award agreement for a modification or acceleration of shares of restricted stock in the event of permanent disability, retirement or other termination of employment or business relationship with the grantee.

Performance Units. The Incentive Plan permits grants of performance units, which are rights to receive cash payments equal to the difference (if any) between the fair market value of our common stock on the date of grant and its fair market value on the date of exercise of the award, except to the extent otherwise provided by the Board of Directors or a committee of the Board or required by law. Such awards are subject to the fulfillment of conditions that may be established by the Board of Directors or a committee of the Board including, without limitation, the achievement of performance targets based upon the factors described above relating to restricted stock awards.

Performance Bonus. The Incentive Plan permits grants of performance bonuses, which may be paid in cash, common stock or combination thereof as determined by the Board of Directors or a committee of the Board. The maximum value of performance bonus awards granted under the Incentive Plan shall be established by the compensation committee at the time of the grant. An employee's receipt of such amount will be contingent upon achievement of performance targets during the performance period established by the compensation committee. The performance targets will be determined by the Board of Directors or a committee of the Board based upon the factors described above relating to restricted stock awards. Following the end of the performance period, the Board of Directors or a committee of the Board will determine the achievement of the performance targets for such performance period. Payment may be made within 60 days of such determination. Any payment made in shares of common stock will be based upon the fair market value of the common stock on the payment date.

Transferability

With the exception of Non-Qualified Stock Options, awards are not transferable other than by will or by the laws of descent and distribution. Non-Qualified Stock Options are transferable on a limited basis. Restricted stock awards are not transferable during the restriction period.

Change of Control Event

The Incentive Plan provides for the acceleration of any unvested portion of any outstanding awards under the Incentive Plan upon a change of control event unless the terms of a particular award state otherwise.

Termination of Employment/Relationship

Awards granted under our Incentive Plan that have not vested will generally terminate immediately upon the grantee's termination of employment or business relationship with us or any of our subsidiaries for any reason other than retirement with our consent, disability or death. The Board of Directors or a committee of the Board may determine at the time of the grant that an award agreement should contain provisions permitting the grantee to exercise the stock options for any stated period after such termination, or for any period the Board of Directors or a committee of the Board determines to be advisable after the grantee's employment or business relationship with us terminates by reason of retirement, disability, death or termination without cause. Incentive Stock Options will, however, terminate no more than three months after termination of the optionee's employment, twelve months after termination of the optionee's employment due to disability and three years after termination of the optionee's employment due to death. The Board of Directors or a committee of the Board may permit a deceased optionee's stock options to be exercised by the optionee's executor or heirs during a period acceptable to the Board of Directors or a committee of the Board following the date of the optionee's death but such exercise must occur prior to the expiration date of the stock option.

Dilution; Substitution

As described above, our Incentive Plan will provide protection against substantial dilution or enlargement of the rights granted to holders of awards in the event of stock splits, recapitalizations, asset acquisitions, consolidations, reorganizations or similar transactions. New award rights may, but need not, be substituted for the awards granted under our Incentive Plan, or our obligations with respect to awards outstanding under our Incentive Plan may, but need not, be assumed by another corporation in connection with any asset acquisition, consolidation, acquisition, separation, reorganization, sale or distribution of assets, liquidation or like occurrence in which we are involved. In the event that our Incentive Plan is assumed, the stock issuable with respect to awards previously granted under our Incentive Plan shall thereafter include the stock of the corporation granting such new option rights or assuming our obligations under the Incentive Plan.

Amendment of the Incentive Plan

Our Board may amend our Incentive Plan at any time. However, without stockholder approval, our Incentive Plan may not be amended in a manner that would:

- increase the number of shares that may be issued under our Incentive Plan;

- materially modify the requirements for eligibility for participation in our Incentive Plan;
- materially increase the benefits to participants provided by our Incentive Plan; or
- otherwise disqualify our Incentive Plan for coverage under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.

Awards previously granted under our Incentive Plan may not be impaired or affected by any amendment of our Incentive Plan, without the consent of the affected grantees.

Accounting Treatment

Under generally accepted accounting principles with respect to the financial accounting treatment of stock options used to compensate employees, upon the grant of stock options under our Incentive Plan, the fair value of the options will be measured on the date of grant and this amount will be recognized as a compensation expense ratably over the vesting period. Stock appreciation rights granted under the Incentive Plan must be settled in common stock. Therefore, stock appreciation rights granted under the Incentive Plan will receive the same accounting treatment as options. The cash we receive upon the exercise of stock options will be reflected as an increase in our capital. No additional compensation expense will be recognized at the time stock options are exercised, although the issuance of shares of common stock upon exercise may reduce basic earnings per share, as more shares of our common stock would then be outstanding.

When we make a grant of restricted stock, the fair value of the restricted stock award at the date of grant will be determined and this amount will be recognized over the vesting period of the award. The fair value of a restricted stock award is equal to the fair market value of our common stock on the date of grant.

Due to consideration of the accounting treatment of stock options and restricted stock awards by various regulatory bodies, it is possible that the present accounting treatment may change.

Tax Treatment

The following is a brief description of the federal income tax consequences, under existing law, with respect to awards that may be granted under our Incentive Plan.

Incentive Stock Options. An optionee will not realize any taxable income upon the grant or the exercise of an Incentive Stock Option. However, the amount by which the fair market value of the shares covered by the Incentive Stock Option (on the date of exercise) exceeds the option price paid will be an item of tax preference to which the alternative minimum tax may apply, depending on each optionee's individual circumstances. If the optionee does not dispose of the shares of our common stock acquired by exercising an Incentive Stock Option within two years from the date of the grant of the Incentive Stock Option or within one year after the shares are transferred to the optionee, when the optionee later sells or otherwise disposes of the stock, any amount realized by the optionee in excess of the option price will be taxed as a long-term capital gain and any loss will be recognized as a long-term capital loss. We generally will not be entitled to an income tax deduction with respect to the grant or exercise of an Incentive Stock Option.

If any shares of our common stock acquired upon exercise of an Incentive Stock Option are resold or disposed of before the expiration of the prescribed holding periods, the optionee would realize ordinary income, instead of capital gain. The amount of the ordinary income realized would be equal to the lesser of (i) the excess of the fair market value of the stock on the exercise date over the option price; or (ii) in the case of a taxable sale or exchange, the amount of the gain realized. Any additional gain would be either long-term or short-term capital gain, depending on whether the applicable capital gain holding period has been satisfied. In the event of a premature disposition of shares of stock acquired by exercising an Incentive Stock Option, we would be entitled to a deduction equal to the amount of ordinary income realized by the optionee.

Non-Qualified Options. An optionee will not realize any taxable income upon the grant of a Non-Qualified Option. At the time the optionee exercises the Non-Qualified Option, the amount by which the fair market value at the time of exercise of the shares covered by the Non-Qualified Option exceeds the option price paid upon exercise will constitute ordinary income to the optionee in the year of such exercise. We will be entitled to a corresponding income tax deduction in the year of exercise equal to the ordinary income recognized by the optionee. If the optionee thereafter sells such shares, the difference between any amount realized on the sale and the fair market value of the shares at the time of exercise will be taxed to the optionee as capital gain or loss, short- or long-term depending on the length of time the stock was held by the optionee before sale.

Stock Appreciation Rights. A participant realizes no taxable income and we are not entitled to a deduction when a stock appreciation right is granted. Upon exercising a stock appreciation right, a participant will realize ordinary income in an amount equal to the fair market value of the shares received minus any amount paid for the shares, and we will be entitled to a corresponding deduction. A participant's tax basis in the shares of common stock received upon exercise of a stock appreciation right will be equal to the fair market value of such shares on the exercise date, and the participant's holding period for such shares will begin at that time. Upon sale of the shares of common stock received upon exercise of a stock appreciation right, the participant will realize short-term or long-term capital gain or loss, depending upon whether the shares have been held for more than one year. The amount of such gain or loss will be equal to the difference between the amount realized in connection with the sale of the shares, and the participant's tax basis in such shares.

Restricted Stock Award. A recipient of restricted stock generally will not recognize any taxable income until the shares of restricted stock become freely transferable or are no longer subject to a substantial risk of forfeiture. At that time, the excess of the fair market value of the restricted stock over the amount, if any, paid for the restricted stock is taxable to the recipient as ordinary income. If a recipient of restricted stock subsequently sells the shares, he or she generally will realize capital gain or loss in the year of such sale in an amount equal to the difference between the net proceeds from the sale and the price paid for the stock, if any, plus the amount previously included in income as ordinary income with respect to such restricted shares.

A recipient has the opportunity, within certain limits, to fix the amount and timing of the taxable income attributable to a grant of restricted stock. Section 83(b) of the Code permits a recipient of restricted stock, which is not yet required to be included in taxable income, to elect, within 30 days of the award of restricted stock, to include in income immediately the difference between the fair market value of the shares of restricted stock at the date of the award and the amount paid for the restricted stock, if any. The election permits the recipient of restricted stock to fix the amount of income that must be recognized by virtue of the restricted stock grant. We will be entitled to a deduction in the year the recipient is required (or elects) to recognize income by virtue of receipt of restricted stock, equal to the amount of taxable income recognized by the recipient.

Performance Units and Performance Bonuses. A participant realizes no taxable income and we are not entitled to a deduction when performance units or performance bonuses are awarded. When the performance units or performance bonuses vest and become payable upon the achievement of the performance objectives, the participant will realize ordinary income equal to the amount of cash received or the fair market value of the shares received minus any amount paid for the shares, and we will be entitled to a corresponding deduction. A participant's tax basis in shares of common stock received upon payment will be equal to the fair market value of such shares when the participant receives them. Upon sale of the shares, the participant will realize short-term or long-term capital gain or loss, depending upon whether the shares have been held for more than one year at the time of sale. Such gain or loss will be equal to the difference between the amount realized upon the sale of the shares and the tax basis of the shares in the participant's hands.

Section 162(m) of the Code. Section 162(m) of the Code precludes a public corporation from taking a deduction for annual compensation in excess of \$1.0 million paid to its chief executive officer or any of its four other highest-paid officers. However, compensation that qualifies under Section 162(m) of the Code as "performance-based" is specifically exempt from the deduction limit. Based on Section 162(m) of the Code and the regulations thereunder, our ability to deduct compensation income generated in connection with the exercise of stock options or stock appreciation rights granted under the Incentive Plan should not be limited by Section 162(m) of the Code. Further, we believe that compensation income generated in connection with performance awards granted under the Incentive Plan should not be limited by Section 162(m) of the Code. The Incentive Plan has been designed to provide flexibility with respect to whether restricted stock awards or performance bonuses will qualify as performance-based compensation under Section 162(m) of the Code and, therefore, be exempt from the deduction limit. If the vesting restrictions relating to any such award are based solely upon the satisfaction of one of the performance goals set forth in the Incentive Plan, then we believe that the compensation expense relating to such an award will be deductible by us if the awards become vested. However, compensation expense deductions relating to such awards will be subject to the Section 162(m) deduction limitation if such awards become vested based upon any other criteria set forth in such award (such as the occurrence of a change in control or vesting based upon continued employment with us).

Certain Awards Deferring or Accelerating the Receipt of Compensation. Section 409A of the Internal Revenue Code, enacted as part of the American Jobs Creation Act of 2004, imposes certain new requirements applicable to "nonqualified deferred compensation plans." If a nonqualified deferred compensation plan subject to Section 409A fails to meet, or is not operated in accordance with, these new requirements, then all compensation deferred under the plan may become immediately taxable. Stock appreciation rights and deferred stock awards which may be granted under the plan may constitute deferred compensation subject to the Section 409A requirements. It is our intention that any award agreement governing awards subject to Section 409A will comply with these new rules.

Required Vote

The approval of the proposal to amend our Incentive Plan to increase the number of shares of common stock available for issuance thereunder will require the affirmative vote of the holders of a majority of the shares of the Company's common stock represented in person or by proxy and entitled to vote at the Meeting. Assuming the presence of a quorum of more than 50% of the shares of our common stock, the failure to vote will have no effect on the outcome of the vote.

Interests of Directors of Officers

Our directors may grant awards under the Incentive Plan to themselves as well as our officers, in addition to granting awards to our other employees. Accordingly, there is an inherent conflict of interest in our board of directors approving the increase to the Incentive Plan.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE “FOR” THE INCREASE IN THE NUMBER OF SHARES OF COMMON STOCK AVAILABLE FOR ISSUANCE UNDER THE INCENTIVE PLAN PROPOSAL.

PROPOSAL 4

RATIFICATION OF THE APPOINTMENT OF THE COMPANY'S INDEPENDENT AUDITORS FOR FISCAL 2011

On February 10, 2011, the Audit Committee of the Board of Directors appointed the firm of BDO Seidman, L.L.P. ("BDO") to serve as the Company's independent auditors for the Company's fiscal year ended December 31, 2011. The independent accountant's report of BDO on the Company's consolidated financial statements for the year ended December 31, 2010 contained an unqualified report with an explanatory paragraph which raised substantial doubt about the Company's ability to continue as a going concern.

Audit Fees. The aggregate fees billed by BDO for professional services rendered for the audit of our annual financial statements, review of the financial information included in our Forms 10-Q for the respective periods and other required filings with the SEC for the year ended December 31, 2010 and 2009 totaled \$299,800 and \$250,000, respectively. The above amounts include interim procedures as audit fees as well as attendance at audit committee meetings.

Audit-Related Fees. The aggregate fees billed by BDO for audit-related fees for the years ended December 31, 2010 and 2009 were \$0 and \$0, respectively.

Tax Fees. The aggregate fees billed by BDO for professional services rendered for tax compliance, for the years ended December 31, 2010 and 2009 were \$0 and \$0, respectively.

All Other Fees. None.

The Audit Committee of our board of directors has established its pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit, tax and non-audit services provided by BDO in 2010. Consistent with the Audit Committee's responsibility for engaging our independent auditors, all audit and permitted non-audit services require pre-approval by the Audit Committee. The full Audit Committee approves proposed services and fee estimates for these services. The Audit Committee chairperson has been designated by the Audit Committee to approve any audit-related services arising during the year that were not pre-approved by the Audit Committee. Any non-audit service must be approved by the full Audit Committee. Services approved by the Audit Committee chairperson are communicated to the full Audit Committee at its next regular meeting and the Audit Committee reviews services and fees for the fiscal year at each such meeting. Pursuant to these procedures, the Audit Committee approved the foregoing audit services provided by BDO.

Changes In and Disagreements With Accountants on Accounting and Financial Disclosure. None.

A representative of BDO is not expected to attend the Meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE AUDIT COMMITTEE'S APPROVAL OF THE APPOINTMENT OF BDO SEIDMAN, L.L.P. AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011.

OTHER INFORMATION

Proxy Solicitation

All costs of solicitation of proxies will be borne by the Company. In addition to solicitation by mail, the Company's officers and regular employees may solicit proxies personally or by telephone. The Company does not intend to utilize a paid solicitation agent.

Proxies

A stockholder may revoke his, her or its proxy at any time prior to its use by giving written notice to the Secretary of the Company, by executing a revised proxy at a later date or by attending the Meeting and voting in person. Proxies in the form enclosed, unless previously revoked, will be voted at the Meeting in accordance with the specifications made thereon or, in the absence of such specifications in accordance with the recommendations of the Company's Board of Directors.

Securities Outstanding

As of the close of business on the Record Date there were [●] shares of Common Stock outstanding. As of the Record Date, no shares of Company preferred stock were issued or outstanding. Stockholders are entitled to one vote for each share of Common Stock owned.

Other Business

The Company's Board of Directors knows of no other matter to be presented at the Meeting. If any additional matter should properly come before the meeting, it is the intention of the persons named in the enclosed proxy to vote such proxy in accordance with their judgment on any such matters.

Beneficial Ownership of Principal Stockholders, Officers and Directors

The following table sets forth, based on 104,309,626 shares of common stock outstanding and as of July 6, 2011, certain information as to the stock ownership of each person known by us to own beneficially five (5%) percent or more of the outstanding common stock, of each of the our named officers and directors who owns any shares and of all officers and directors as a group. In computing the outstanding shares of common stock, the Company has excluded all shares of Common Stock subject to options, warrants or other securities that are not currently exercisable or exercisable within 60 days and are therefore not deemed to be outstanding and beneficially owned by the person holding the options, warrants or other securities for the purpose of computing the number of shares beneficially owned and the percentage ownership of that person. Unless otherwise indicated, the address for each person listed below is c/o Elephant Talk Communications, Inc., Schiphol Blvd 249, 1118 BH Schiphol, The Netherlands.

Name of Beneficial Holder	Number of Shares of Common Stock Owned*	Percent of Class as of 16 March 2011
Rising Water Capital AG (1)	32,574,518(2)	29.55%(2)
CMV Invest II CVA (3)	8,689,660(4)	7.93%(4)
Patrick Carroll	172,450	**0%
Q.A.T. Investments SA	32,617,430(5)	29.59%
Q.A.T. II Investments SA	26,699,337(6)(7)	21.35%(6)(7)
Phil Hickman	228,609(8)	**0%
Steven van der Velden	12,564,068(9)	11.65%(9)
Johan Dejager	3,755,087(10)	3.55%(10)
Yves van Sante	434,484(11)	**
Martin Zuurbier	855,573(12)	**0%
Mark Nije	742,681(13)	**0%
Roderick de Greef	512,664	**0%
Alex Vermeulen	295,977(14)	**0%
William Van den Brink	18,699	**0%
Rijkman Groenink	0	**0%
All Officers and Directors as a Group	19,580,292	18.33%

* Calculated in accordance with Rule 13d-(3)(d)(1) under the Securities Exchange Act of 1934.

** less than one percent

- (1) Voting power and dispositive power over the shares held by RWC are under the control of its investment committee. To our knowledge, RWC's address of record is Baarerstrasse 135, 6301 Zug, Switzerland.
- (2) Includes warrants to purchase 338,029 shares of our common stock at \$1.05 per share, warrants to purchase 3,718,305 shares of our common stock at \$1.26 per share, and warrants to purchase 1,859,153 shares of our common stock at \$1.47 per share.
- (3) Mr. van der Velden owns a 40.75% ownership interest in CMV II Invest CVA ("CMV II"), and therefore controls shared voting and dispositive power over the securities held by this entity. To our knowledge, CMV II's address of record is Rubensheide 73, 2950 Kappellen, Belgium.
- (4) Includes warrants to purchase 3,475,864 shares of our common stock at \$1.26 per share, and warrants to purchase 1,737,932 shares of our common stock at \$1.47 per share.

- (5) Includes 338,029 shares of common stock and the warrants disclosed in footnote (2).
- (6) Includes warrants to purchase 357,172 shares of our common stock at \$1.05 per share, warrants to purchase 357,172 shares of our common stock at \$1.26 per share, and warrants to purchase 178,586 shares of our common stock at \$1.47 per share.
- (7) Includes warrants to purchase 6,414,786 shares of common stock at \$1.00, warrants to purchase 1,466,325 shares of common stock at \$1.50 per share, warrants to purchase 3,451,170 shares of common stock at \$1.45 per share, warrants to purchase 609,840 shares of common stock at \$1.61 per share, warrants to purchase 2,012,250 shares of common stock at \$1.73 per share and warrants to purchase 167,400 shares of common stock at \$2.00 per share.
- (8) Includes 115,917 shares of common stock held by PGH Business Soft Ltd., an entity 100% owned by Mr. Hickman and 42,373 warrants to purchase shares of common stock at an exercise price of \$.
- (9) Includes 1,728,697 shares of common stock held by CMV Invest CVA, an entity 27.25% owned by Mr. van der Velden, 3,475,864 shares of common stock held by CMV II, and 975, 744 shares of common stock held by Interfield Consultancy Ltd., an entity 100% owned by Mr. van der Velden and the warrants described in notes (3).
- (10) Includes warrants to purchase 1,329,584 shares of our common stock at an exercise price of \$.
- (11) Includes warrants to purchase 434,484 shares of our common stock at an exercise price of \$ _____. All such shares and warrants are owned by Amelia & Associates, SA. Mr. van Sante holds a 33% ownership interest in Amelia and therefore holds shared voting and dispositive power over the securities held by this entity. To our knowledge, Amelia's address of record is Rue du Fort Rheinshein 7, 2419 Luxembourg.
- (12) Mr. Zuurbier owns 100% of Interact W.L.L. and therefore has voting and dispositive power of the shares of common stock held by this entity.
- (13) Includes 298,746 shares of common stock held by Logistic Management International NV, an entity 100% owned by Mr. Nije and therefore has voting and dispositive power of the shares of common stock held by this entity.
- (14) Includes 100,591 shares of common stock held by Scere Company Italy, an entity 100% owned by Mr. Vermeulen and therefore has voting and dispositive power of the shares of common stock held by this entity.

Certain Relationships and Related Transactions

On January 27, 2009, QAT II Investments SA, a closed-end fund of QAT Investments, entered into a preliminary loan agreement with us whereby QAT II Investments will provide us with \$1,300,000. According to the terms, the loan will bear interest at a rate of twelve percent (12%) per annum and shall be repaid either: (1) if QAT II Investments and we sign an investment agreement, the amount due under the loan will be reduced by the investment amount pursuant to the investment agreement, or (2) if no investment agreement is executed, the principal amount of the loan plus interest is due and payable by June 30, 2009. On February 15, 2009, February 23, 2009 and March 31, 2009, in connection with the above referenced agreement, QAT II Investments entered into three loan agreements with us whereby QAT II Investments agreed to provide us with \$650,000, \$650,000 and \$650,000, respectively. The outstanding principal and interest shall become immediately due and payable in the event we fail to make required payments of principal and interest, or otherwise breaches the agreements and fails to cure such breach upon twenty (20) days notice, or if it disposes of its properties or assets without QAT II Investments' prior consent, or if we file a petition for bankruptcy or otherwise resolves to wind up its affairs. All agreements and amounts were entered in euro's with a conversion rate used above of 1.30 EUR/USD, deviations may occur with 8-K filings due to different exchange rate usage.

On February 3, 2009, 23,982 shares of common stock were issued to RWC as part of the Incentive Payment. As a result of our private placement of securities in excess of \$1.0 million, RWC is additionally entitled, as an Incentive Payment, approximately \$451,915 in cash and was issued warrants to purchase 338,029 shares of our common stock at \$1.05 per share, warrants to purchase 338,029 shares of our common stock at \$1.26 per share and warrants to purchase 169,015 shares of our common stock at \$1.47 per share. In lieu of the cash payment to RWC was entitled it accepted 742,000 shares of our common stock, based on a conversion price of \$0.60 per share. In connection with the loan agreements described above, on March 30, 2009 we entered into a security agreement (the "Security Agreement") with QAT II. The Security Agreement granted QAT II a security interest in the revenues received by us under a Spanish MVNE Agreement which management expects to be entered into by the parties (the "MVNE Agreement"). The Security Agreement will terminate when all amounts due under the loan agreements have been paid in full by Registrant.

On June 30, 2009, we issued 124,800 shares of our common stock to QAT as consideration for the services provided by Steven van der Velden, our Chairman, President and Chief Executive Officer. The shares of common stock were issued directly to QAT pursuant to an agreement between QAT and Mr. van der Velden. On July 1, 2009 and July 8, 2009 QAT II, a closed-end fund of QAT Investments, entered into a loan agreement with the Company whereby QAT II provided the Company with \$ 213,795 and \$ 142,530. According to the terms, the loans will bear interest at a rate of twelve percent (12%) per annum and shall be repaid either: (1) if QAT II and the Company sign an investment agreement, the amount due under the loan will be reduced by the investment amount pursuant to the investment agreement, or (2) if no investment agreement is executed, the principal amount of the loan plus interest is due and payable by August 31, 2009. The agreement and amount were entered in Euro's, which means that currency differences may occur in filings made and this Report.

On July 31, 2009, QAT II converted \$4,100,000 provided under the loan agreements into \$4,100,000 in Notes and Warrants as part of the First Closing with respect to the Offering. On October 30, 2009, QAT II converted \$1,332,383 into Notes and Warrants as part of the Fifth Closing with respect to the Offering. Quercus Management Group N.V. ("QMG"), an entity affiliated with certain officers and directors of the Company served as European placement agent for the Offering. In the aggregate, QMG raised \$4,837,632, entitling it to 774,022 Warrants (equal to 8% of the aggregate amount of Notes and Warrants sold in the Offering, including those Notes and Warrants sold to affiliates of the Company), an 8% selling concession equal to \$387,010.56 and 2% non-accountable expenses and fees equal to \$96,752.64. Of the \$4,837,632 raised by QMG, \$4,399,995.10 (or 91% of the total) was raised from parties affiliated with the Company (including the \$4,100,000 conversion by QAT II). All future transactions between us and our officers, directors or five percent shareholders, and respective affiliates will be on terms no less favorable than could be obtained from unaffiliated third parties and will be approved by a majority of our independent directors who do not have an interest in the transactions and who had access, at our expense, to our legal counsel or independent legal counsel.

To the best of our knowledge, other than as set forth above, there were no material transactions, or series of similar transactions, or any currently proposed transactions, or series of similar transactions, to which we were or are to be a party, in which the amount involved exceeds \$120,000, and in which any director or executive officer, or any security holder who is known by us to own of record or beneficially more than 5% of any class of our common stock, or any member of the immediate family of any of the foregoing persons, has an interest.

Deadline for Submission of Stockholder Proposals for 2012 Annual Meeting of Stockholders

Stockholders may present proposals for inclusion in the Proxy Statement for the 2012 Annual Meeting of Stockholders provided that such proposals are received by the Secretary of the Company on or before June 14, 2012. Proposals submitted not in accordance with such deadline will be deemed untimely or otherwise deficient; however, the Company will have discretionary authority to include such proposals in the 2012 Proxy Statement.

Stockholder Communications

Stockholders wishing to communicate with the Board of Directors may direct such communications to the Board of Directors c/o the Company, Attn: Alex Vermeulen. Mr. Vermeulen will present a summary of all stockholder communications to the Board of Directors at subsequent Board of Directors meetings. The directors will have the opportunity to review the actual communications at their discretion.

Additional Information

Accompanying this Proxy Statement is a copy of the Company's 2010 Annual Report to Stockholders, which includes the Company's Annual Report on Form 10-K for the year ended December 31, 2010. Such Report constitutes the Company's Annual Report to its Stockholders for purposes of Rule 14a-3 under the Securities Exchange Act of 1934. Such Report includes the Company's audited financial statements for the 2010 fiscal year and certain other financial information, which is incorporated by reference herein. The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information are available on the SEC's website at www.sec.gov. Stockholders who have questions in regard to any aspect of the matters discussed in this Proxy Statement should contact Alex Vermeulen, General Counsel and Secretary of the Company, at legal@elephanttalk.com.

ELEPHANT TALK COMMUNICATIONS, INC.

VOTE BY INTERNET OR FAX QUICK ★★★ EASY ★★★ IMMEDIATE

As a stockholder of Elephant Talk Communications, Inc., you have the option of voting your shares electronically through the Internet or by fax, eliminating the need to return the proxy card by mail. Your electronic vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned the proxy card. Votes submitted electronically over the Internet must be received by 7:00 p.m., Eastern Time, on September 13, 2011. Votes submitted by mail or fax must be received prior to the meeting.



Vote Your Proxy on the Internet:

Go to www.cstproxyvote.com
Have your proxy card available when you access the above website. Follow the prompts to vote your shares.

OR

Vote Your Proxy by Mail:

Mark, sign, and date your proxy card, then detach it, and return it in the postage-paid envelope provided.

OR

Vote Your Proxy by Fax: Fax 1 (212) 509-5152

Fax this proxy card to the number above.

**PLEASE DO NOT RETURN THE PROXY CARD
IF YOU ARE VOTING BY INTERNET OR BY FAX**

▼ FOLD AND DETACH HERE AND READ THE REVERSE SIDE ▼

PROXY

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned Stockholder. If no direction is made this Proxy will be voted FOR the proposals set forth herein. Please mark, sign, date and return the Proxy promptly, using the enclosed envelope.

Please mark
your votes
like this ☒

1. TO ELECT SEVEN DIRECTORS FOR A TERM EXPIRING AT THE NEXT ANNUAL MEETING OF THE COMPANY, OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED.

FOR all nominees listed below (except as indicated to the contrary)

☐

WITHHOLD AUTHORITY to vote for all nominees listed below

☐

NOMINEES:

01. STEVEN VAN DER VELDEN, 02. MARTIN ZUURBIER, 03. JACQUES D. KERREST, 04. JOHAN DEJAGER, 05. RODERICK DE GREEF, 06. PHIL HICKMAN AND 07. RIJCKMAN GROENINK

(INSTRUCTION: To withhold authority to vote for any individual nominee, write that nominee's name in the space below)

2. TO APPROVE OUR CHANGE IN CORPORATE DOMICILE FROM CALIFORNIA TO DELAWARE.

☐ FOR ☐ AGAINST ☐ ABSTAIN

3. TO ADOPT AN AMENDMENT TO OUR 2008 LONG-TERM INCENTIVE PLAN.

☐ FOR ☐ AGAINST ☐ ABSTAIN

4. TO RATIFY THE APPOINTMENT OF BDO SEIDMAN LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

☐ FOR ☐ AGAINST ☐ ABSTAIN

5. TO TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature _____ Signature, if held jointly _____ Date _____, 2011.

Please sign exactly as the name(s) appears on the stock certificate(s). If the shares are held by an individual, the individual should sign. Joint owners should each sign. Trustees and others acting in a representative capacity should indicate the capacity in which they sign. If the shares are held by a corporation, partnership or similar account, the name and capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example: "ABC Corp., John Dow, Treasurer."

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held September 14, 2011.

**The Proxy Statement and our 2010 Annual Report to Stockholders are
available at: <http://www.cstproxy.com/elephanttalk/2011>**

▼ FOLD AND DETACH HERE AND READ THE REVERSE SIDE ▼

PROXY

ELEPHANT TALK COMMUNICATIONS, INC.

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD SEPTEMBER 14, 2011 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Steven Van der Velden and Sarah Williams (the "Proxy Committee"), together as proxies and each with full power of substitution, to represent and to vote all shares of common stock of Elephant Talk Communications, Inc. ("the Company") at the Annual Meeting of Stockholders of the Company to be held at 9:00 a.m. Eastern Daylight Time, on Wednesday, September 14, 2011 at the offices of Ellenoff Grossman & Schole LLP, 150 East 42nd Street, 11th Floor, New York, New York, 10017, and at any adjournment or postponement thereof, hereby revoking any and all proxies heretofore given. The undersigned also appoints the Proxy Committee members to vote at their discretion on any other matter that may properly come before the annual meeting or any adjournment or postponement of the meeting. Unless indicated to the contrary, this proxy shall be deemed to grant authority to vote "FOR" all matters on the reverse side.

IMPORTANT — PLEASE SIGN AND RETURN THIS PROXY PROMPTLY. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by an authorized person.

(Continued and to be dated and signed on reverse side)

**AGREEMENT AND PLAN OF MERGER
OF ELEPHANT TALK COMMUNICATIONS, INC.
(a California corporation)
AND
ELEPHANT TALK COMMUNICATIONS, INC.
(a Delaware corporation)**

THIS AGREEMENT AND PLAN OF MERGER, dated as of July 14, 2011 (the “Agreement”), is between Elephant Talk Communications, Inc., a California corporation (“ETAK”), and Elephant Talk Communications, Inc., a Delaware corporation and wholly-owned subsidiary of ETAK (“ETAK (Delaware)”). ETAK and ETAK (Delaware) are sometimes referred to herein as the “Constituent Corporations.”

RECITALS

WHEREAS, ETAK (Delaware) is a corporation duly organized and existing under the laws of the State of Delaware and has an authorized capital of 300,000,000 shares, 250,000,000 of which are designated common stock, \$0.00001 par value per share, and 50,000,000 of which are designated preferred stock, \$0.00001 par value per share. The preferred stock of ETAK (Delaware) is undesignated as to series, rights, preferences, privileges or restrictions. As of July 14, 2011, 100 shares of common stock were issued and outstanding, all of which were held by ETAK, and no shares of preferred stock were issued and outstanding;

WHEREAS, ETAK is a corporation duly organized and existing under the laws of the State of California and has an authorized capital of 300,000,000 shares, 250,000,000 of which are designated common stock, no par value per share, and 50,000,000 of which are designated preferred stock, no par value per share. The preferred stock of ETAK is undesignated as to series, rights, preferences, privileges or restrictions. As of July 14, 2011, 104,309,626 shares of common stock and no shares of preferred stock were issued and outstanding;

WHEREAS, the Board of Directors of ETAK has determined that, for the purpose of effecting the reincorporation of ETAK in the State of Delaware, it is advisable and in the best interests of ETAK and its shareholders that ETAK merge with and into ETAK (Delaware) upon the terms and conditions herein provided; and

WHEREAS, the respective Boards of Directors of ETAK (Delaware) and ETAK have approved and declared the advisability of this Agreement, and have directed that this Agreement be submitted to a vote of their respective sole shareholder and shareholders and executed by the undersigned officers.

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, ETAK (Delaware) and ETAK hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

AGREEMENT

I. MERGER

1.1 *Merger*. In accordance with the provisions of this Agreement, the Delaware General Corporation Law (“DGCL”) and the California General Corporation Law (“CGCL”), ETAK shall be merged with and into ETAK (Delaware) (the “Merger”), the separate existence of ETAK shall cease and ETAK (Delaware) shall survive the Merger and shall continue to be governed by the laws of the State of Delaware, and ETAK (Delaware) shall be, and is herein sometimes referred to as, the “Surviving Corporation”. The name of the Surviving Corporation shall be Elephant Talk Communications, Inc.

1.2 *Filing and Effectiveness*. Subject to applicable law, the Merger shall become effective when the following actions shall have been completed:

(a) This Agreement shall have been adopted by the sole shareholder of ETAK (Delaware) and the principal terms of this Agreement shall have been approved by the shareholders of ETAK in accordance with the requirements of the DGCL and the CGCL, respectively;

(b) All of the conditions precedent to the consummation of the Merger specified in this Agreement shall have been satisfied or duly waived by the party entitled to satisfaction thereof; and

(c) A certificate of merger meeting the requirements of the DGCL (the “Certificate of Merger”) shall have been filed with the Secretary of State of the State of Delaware and this Agreement, together with a Certificate of Ownership as provided in Section 1110 of the CGCL or the Certificate of Merger, shall have been filed with the Secretary of State of the State of California or, in the case of the applicable requirements of California law, as otherwise provided by the CGCL.

The date and time when the Merger shall become effective, as aforesaid, is herein called the “Effective Date of the Merger.”

1.3 *Effect of the Merger*. Upon the Effective Date of the Merger, the separate existence of ETAK shall cease and ETAK (Delaware), as the Surviving Corporation, (i) shall continue to possess all of its assets, rights, powers and property as constituted immediately prior to the Effective Date of the Merger, (ii) shall be subject to all actions previously taken by its and ETAK’s Board of Directors, (iii) shall succeed, without other transfer, to all of the assets, rights, powers and property of ETAK in the manner more fully set forth in Section 259 of the DGCL, (iv) shall continue to be subject to all of the debts, liabilities and obligations of ETAK (Delaware) as constituted immediately prior to the Effective Date of the Merger, and (v) shall succeed, without other transfer, to all of the debts, liabilities and obligations of ETAK in the same manner as if ETAK (Delaware) had itself incurred them, all as more fully provided under the applicable provisions of the DGCL and the CGCL.

II. CHARTER DOCUMENTS, DIRECTORS AND OFFICERS

2.1 *Certificate of Incorporation.* The Certificate of Incorporation of ETAK (Delaware) as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Certificate of Incorporation of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable law.

2.2 *Bylaws.* The Bylaws of ETAK (Delaware) as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Bylaws of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable law.

2.3 *Directors and Officers.* The directors and officers of ETAK immediately prior to the Effective Date of the Merger shall be the directors and officers of the Surviving Corporation until their successors shall have been duly elected and qualified or until as otherwise provided by law or the Restated Certificate of Incorporation of the Surviving Corporation or the Bylaws of the Surviving Corporation.

III. MANNER OF CONVERSION OF STOCK

3.1 *ETAK Common Stock.* Upon the Effective Date of the Merger, each share of ETAK common stock, no par value, issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action by the Constituent Corporations, the holder of such shares or any other person, be converted into one (1) fully paid and non assessable share of common stock, \$0.00001 par value per share, of the Surviving Corporation.

3.2 *ETAK Options, Warrants, Equity Incentive Plan Awards and Restricted Stock.*

(a) Upon the Effective Date of the Merger, the Surviving Corporation shall assume and continue the 2008 Long-Term Compensation Incentive Plan and the 2006 Non-Qualified Stock and Option Compensation Plan (to the extent stock awards continue to remain outstanding and subject to the terms of such plan) and all other employee benefit plans of ETAK (collectively, the “Incentive Plans”). Each outstanding and unexercised option, warrant or other right to purchase or receive or a security convertible into ETAK common stock shall become an option, warrant or right to purchase or receive or a security convertible into the Surviving Corporation’s common stock on the basis of one share of the Surviving Corporation’s common stock for each share of ETAK common stock issuable pursuant to any such option, right to purchase or convertible security, on the same terms and conditions and at an exercise price per share equal to the exercise price applicable to any such ETAK option, warrant stock purchase right or convertible security at the Effective Date of the Merger. There are no options, warrants or purchase rights for or securities convertible into preferred stock of ETAK under the Incentive Plans.

(b) A number of shares of the Surviving Corporation's common stock shall be reserved for issuance under the Incentive Plans equal to the number of shares of ETAK common stock so reserved immediately prior to the Effective Date of the Merger.

3.3 *ETAK (Delaware) Common Stock.* Upon the Effective Date of the Merger, each share of common stock, \$0.00001 par value per share, of ETAK (Delaware) issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action by ETAK (Delaware), the holder of such shares or any other person, be canceled and returned to the status of authorized but unissued shares, without any consideration being delivered in respect thereof.

3.4 *Exchange of Certificates.* After the Effective Date of the Merger, each holder of a certificate representing shares of ETAK common stock outstanding immediately prior to the Effective Date of the Merger may, at such shareholder's option, surrender the same for cancellation to an exchange agent designated by the Surviving Corporation (the "Exchange Agent"), and each such holder shall be entitled to receive in exchange therefor a certificate or certificates representing the number of shares of the Surviving Corporation's common stock into which the shares formerly represented by the surrendered certificate were converted as herein provided. Unless and until so surrendered, each certificate representing shares of ETAK common stock outstanding immediately prior to the Effective Date of the Merger shall be deemed for all purposes, from and after the Effective Date of the Merger, to represent the number of shares of the Surviving Corporation's common stock into which such shares of ETAK common stock were converted in the Merger.

The registered owner on the books and records of the Surviving Corporation or the Exchange Agent of any shares of stock represented by such certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to the Surviving Corporation or the Exchange Agent, have and be entitled to exercise any voting and other rights with respect to and to receive dividends and other distributions upon the shares of common stock of the Surviving Corporation represented by such certificate as provided above.

Each certificate representing common stock of the Surviving Corporation so issued in the Merger shall bear the same legends, if any, with respect to the restrictions on transferability as the certificates of ETAK so converted and given in exchange therefor, unless otherwise determined by the Board of Directors of the Surviving Corporation in compliance with applicable laws, or other such additional legends as agreed upon by the holder and the Surviving Corporation.

IV. CONDITIONS

4.1 The obligations of ETAK under this Agreement shall be conditioned upon the occurrence of the following events:

(a) The principal terms of this Merger Agreement shall have been duly approved by the shareholders of ETAK; and

(b) Any consents, approvals or authorizations that ETAK deems necessary or appropriate to be obtained in connection with the consummation of the Merger shall have been obtained, including, but not limited to, approvals with respect to federal and state securities laws.

V. GENERAL

5.1 *Covenants of ETAK (Delaware)*. ETAK (Delaware) covenants and agrees that it will, on or before the Effective Date of the Merger:

(a) file the Certificate of Merger with the Secretary of State of the State of Delaware;

(b) file this Agreement, together with the Certificate of Ownership, or the Certificate of Merger, with the Secretary of State of the State of California; and

(c) take such other actions as may be required by the CGCL.

5.2 *Further Assurances*. From time to time, as and when required by ETAK (Delaware) or by its successors or assigns, there shall be executed and delivered on behalf of ETAK such deeds and other instruments, and there shall be taken or caused to be taken by ETAK (Delaware) and ETAK such further and other actions as shall be appropriate or necessary to vest or perfect in or conform of record or otherwise by ETAK (Delaware) the title to and possession of all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of ETAK and otherwise to carry out the purposes of this Agreement, and the officers and directors of ETAK (Delaware) are fully authorized in the name and on behalf of ETAK or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

5.3 *Abandonment*. At any time before the Effective Date of the Merger, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by the Board of Directors of either ETAK or of ETAK (Delaware), or of both, notwithstanding the approval of the principal terms of this Agreement by the shareholders of ETAK or the adoption of this Agreement by the sole shareholder of ETAK (Delaware), or by both.

5.4 *Amendment.* The Boards of Directors of the Constituent Corporations may amend this Agreement at any time prior to the Effective Date of the Merger, provided that an amendment made subsequent to applicable shareholder or shareholder approval shall not, unless approved by such shareholders or shareholders as required by law: (a) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such Constituent Corporation; (b) alter or change any term of the Certificate of Incorporation of the Surviving Corporation to be effected by the Merger; or (c) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of capital stock of any Constituent Corporation.

5.5 *Governing Law.* This Agreement shall in all respects be construed, interpreted and enforced in accordance with and governed by the laws of the State of Delaware and, so far as applicable, the merger provisions of the CGCL.

5.6 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement having first been approved by the resolutions of the Board of Directors of ETAK, a California corporation, and ETAK (Delaware), Inc., a Delaware corporation, is hereby executed on behalf of each of such two corporations and attested by their respective officers thereunto duly authorized.

Elephant Talk Communications, Inc., a
California corporation

By: /s/ Steven van der Velden
 Steven van der Velden
 President and Chief Executive
 Officer

Elephant Talk Communications, Inc., a
Delaware corporation

By: /s/ Steven van der Velden
 Steven van der Velden
 President and Chief Executive
 Officer

CERTIFICATE OF INCORPORATION

OF

ELEPHANT TALK COMMUNICATIONS, INC.

The undersigned, a natural person (the “Sole Incorporator”), for the purpose of organizing a corporation to conduct the business and promote the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware hereby certifies that:

I.

The name of this corporation is Elephant Talk Communications, Inc. (the “Corporation”).

II.

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of Newcastle and the name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

III.

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (“DGCL”).

IV.

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares which the Corporation is authorized to issue is 300,000,000 shares. 250,000,000 shares shall be Common Stock, each having \$0.00001 par value per share. 50,000,000 shares shall be Preferred Stock, each having \$0.00001 par value per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby expressly authorized to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

V.

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B.

1. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

2. No action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws or by written consent by the stockholders holding such number of shares of the Corporation as shall be necessary to authorize such action if all shares were present and voting at a meeting of the stockholders.

3. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

VI.

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent under applicable law. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated to the fullest extent permitted by the DGCL, as so amended.

B. The Corporation, to the fullest extent permitted by the DGCL, as amended from time to time, shall indemnify any director or officer of the Corporation and may, in the discretion of the Board, indemnify any other person or persons whom it may indemnify pursuant thereto, who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by him or her in connection with the action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Such expenses incurred in defending such action, suit or proceeding shall be paid by the Corporation in advance of the final disposition, upon receipt of an undertaking on behalf of the person to repay such amounts if it is determined that he or she is not entitled to be indemnified by the Corporation as authorized hereby, provided that the Board of Directors shall not have determined that such person acted in bad faith and in a manner that such person did not believe to be in, or not opposed to, the best interest of the Corporation, or with respect to any criminal proceeding, that such person believed or had reasonable cause to believe his conduct was unlawful. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law, or otherwise, as well as the rights under this Article. The indemnification provided in this Article shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

C. Any repeal or modification of this Article VI shall be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon the stockholders herein are granted subject to this reservation.

VIII.

The name and the mailing address of the Sole Incorporator is as follows:

NAME	MAILING ADDRESS
Alex Vermeulen	19103 Centre Rose Boulevard Lutz, FL 33558

IN WITNESS WHEREOF, this Certificate has been subscribed this [] day of July, 2011 by the undersigned who affirms that the statements made herein are true and correct.

/s/ Alex Vermeulen

Alex Vermeulen
Sole Incorporator

**BYLAWS
OF
ELEPHANT TALK COMMUNICATIONS, INC.
(A DELAWARE CORPORATION)**

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of Newcastle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place Of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("DGCL").

Section 5. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders (with respect to business other than nominations); (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b) below, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "1934 Act")) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition, and (5) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 5(b)(iv). 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 proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14(a)-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii), and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv).

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received 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 the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) shall also set forth, as of the date of the notice and as to the stockholder of record giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "Proponent" and collectively, the "Proponents"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i)) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i)) or to carry such proposal (with respect to a notice under Section 5(b)(ii)); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

For purposes of Sections 5 and 6, a “Derivative Transaction” means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

- (w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation,
- (x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation,
- (y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or
- (z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member.

(c) A stockholder providing written notice required by Section 5(b)(i) or (ii) shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) as of the date that is ten (10) business days prior to the meeting and, in the event of any adjournment or postponement thereof, ten (10) business days prior to any adjournment or postponement thereof. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five (5) business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, five (5) business days prior to any adjournment or postponement thereof.

(d) Notwithstanding anything in Section 5(b)(iii) to the contrary, in the event that the number of directors of the Board of Directors of the corporation is increased and there is no public announcement of the appointment of a director, or, if no appointment was made, of the vacancy, made by the corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with Section 5(b)(iii), a stockholder's notice required by this Section 5 and which complies with the requirements in Section 5(b)(i), other than the timing requirements in Section 5(b)(iii), shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by 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.

(e) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 5(a), or in accordance with clause (iii) of Section 5(a). Except as otherwise required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any 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 these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E), to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(f) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii) of these Bylaws.

(g) For purposes of Sections 5 and 6,

(i) “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable 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 1934 Act; and

(ii) “affiliates” and “associates” shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the “1933 Act”).

(h) Subject to the requirement of Section 37 hereof, unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such 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 outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take action were delivered to the corporation.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation (i) may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (A) the Chairman of the Board of Directors, (B) the Chief Executive Officer, or (C) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption), and (ii) shall be called for any purpose as is a proper matter for stockholder action under Delaware law, by the Secretary of the corporation upon the written request of stockholders of record entitled to cast not less than ten percent (10%) of the votes at such special meeting, provided that such written request is in compliance with the requirements of Section 6(b) hereof (“Stockholder-Requested Meeting”). A request to call a special meeting pursuant to Section 6(a)(ii) shall not be valid unless made in accordance with the requirements and procedures set forth in this Section 6. Except as may otherwise be required by law, the Board of Directors shall determine, in its sole judgment, the validity of any request under Section 6(a)(ii), including whether such request was properly made in compliance with these Bylaws.

(b) For a special meeting called pursuant to Section 6(a)(i), the Board of Directors shall determine the time and place of such special meeting. Following determination of the time and place of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. For a Stockholder-Requested Meeting, the request shall (i) be in writing, signed and dated by a stockholder of record, (ii) set forth the purpose of calling the special meeting and include the information required by the stockholder's notice as set forth in Section 5(b)(i) and in Section 5(b)(ii) (for the proposal of business other than nominations), (iii) not be an Excluded Request (as defined below), and (iv) be delivered personally or sent by certified or registered mail, return receipt requested, to the Secretary at the principal executive offices of the corporation. The stockholder shall also update and supplement such information as required under Section 5(c). If the Board of Directors determines that a request pursuant to Section 6(a)(ii) is valid, the Board shall determine the time and place, if any, of a Stockholder-Requested Meeting, which time shall be not less than ninety (90) nor more than one hundred twenty (120) days after the receipt of such request, and shall set a record date for the determination of stockholders entitled to vote at such meeting in the manner set forth in Section 38 hereof. Following determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at a special meeting, including a Stockholder-Requested Meeting, otherwise than as specified in the notice of meeting. An "Excluded Request" shall mean a written request of a stockholder that relates to a nomination for the election to the Board of Directors or other proposals of business (y) previously presented to stockholders at an annual or special meeting of stockholders held within the last twelve (12) months determined from the date such new written request is received by the corporation, or (z) to be transacted at an annual or special meeting of stockholders, the date of which meeting is within the next three (3) months from the date the written request is received.

(c) 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 (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i). 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 of record 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 written notice setting forth the information required by Section 5(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the ninetieth (90th) day prior to such meeting or 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. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; provided, however, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors and/or proposals of other business to be considered pursuant to Section 6(a)(ii) or Section 6(c) of these Bylaws.

Section 7. Notice Of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened 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. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, each director shall be elected by the affirmative vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors with respect to the director at any meeting for the election of directors, at which meeting a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this section, the affirmative vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors with respect to the director at any meeting for the election of directors means that the number of shares voted “for” a director must exceed the number of votes “withheld” against such director. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series (or in the case of the election of directors, the affirmative vote of a majority of the shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors with respect to the director at any meeting for the election of directors, at which meeting a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors).

Section 9. Adjournment And Notice Of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners Of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List Of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting. Action may be taken by the stockholders by written consent or by electronic transmission by stockholders holding such number of shares of the Corporation as shall be necessary to authorize such action if all shares were present and voting at a meeting of the stockholders.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number And Term Of Office. The authorized number of directors of the corporation shall be fixed by the Board of Directors. The authorized number of directors of the corporation shall be not less than five (5) nor more than nine (9); provided, however, that the minimum and maximum number of directors may be changed, or an exact number of directors of the corporation may be fixed, by the affirmative vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Board Of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders to serve until the next annual meeting of stockholders. Except as otherwise provided in Section 8 of these Bylaws, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, provided, however, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal. The Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of at least a majority of the voting power of all the then-outstanding shares of the capital stock of the corporation entitled to vote generally at an election of directors.

Section 21. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer or a majority of the authorized number of directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, charges prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum And Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 43 for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the number of directors constituting the Board of Directors; *provided, however;* at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 24. Fees And Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) **Executive Committee.** The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the corporation.

(b) **Other Committees.** The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 25, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary or other officer or director directed to do so by the President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 27. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 28. Tenure And Duties Of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(d) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(f) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(g) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(h) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 29. Delegation Of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution Of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting Of Securities Owned By The Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 34. Form And Execution Of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the 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 with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 35. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 37. Fixing Record Dates.

(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, in advance, 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, subject to applicable law, 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 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, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, 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.

Section 38. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 39. Execution Of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 34), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 40. Declaration Of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 41. Dividend Reserve. 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 their absolute discretion, think 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 interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 42. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 43. Indemnification Of Directors, Officers, Employees And Other Agents.

(a) Directors. The corporation shall indemnify its directors to the fullest extent not prohibited by the DGCL or any other applicable law; *provided*, that the corporation may enter into individual contracts with its directors and, to the fullest extent permitted by law, provide for additional contractual indemnification rights; and, *provided, further*, that the corporation shall not be required to indemnify any director in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Officers, Employees and Other Agents. The corporation shall have power to indemnify its officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person, to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to 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, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director in his or her capacity as a director (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this section or otherwise.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director. Any right to indemnification or advances granted by this section to a director shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its 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 has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this section.

(h) Amendments. Any repeal or modification of this section shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director to the full extent not prohibited by any applicable portion of this section that shall not have been invalidated, or by any other applicable law. If this section shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the “corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this section.

ARTICLE XII

NOTICES

Section 44. Notices.

(a) **Notice to Stockholders.** Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by US mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) **Notice to Directors.** Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) **Affidavit of Mailing.** An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) **Methods of Notice.** It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within sixty (60) days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 45. Subject to the limitations set forth in Section 43(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of all of the directors of the corporation. In addition to any requirements of law and any provision of the Certificate of Incorporation, these stockholders of the corporation may adopt, repeal, alter or amend any provision of the Bylaws upon the affirmative vote of the holders of at least a majority of the total number of votes then outstanding represented by shares of capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS

Section 46. Loans To Officers. Except as otherwise prohibited by applicable law or regulation, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

APPENDIX “D”

ELEPHANT TALK COMMUNICATIONS, INC.

AMENDED AND RESTATED

2008 LONG-TERM INCENTIVE COMPENSATION PLAN

**ARTICLE I
PURPOSE**

Section 1.1 Purpose. This 2008 Long-Term Incentive Compensation Plan (the “Plan”) is established by Elephant Talk Communications, Inc., a California corporation (the “Company”), to create incentives which are designed to motivate Participants to put forth maximum effort toward the success and growth of the Company and to enable the Company to attract and retain experienced individuals who by their position, ability and diligence are able to make important contributions to the Company’s success. Toward these objectives, the Plan provides for the grant of Options, Restricted Stock Awards, Stock Appreciation Rights (“SARs”), Performance Units and Performance Bonuses to Eligible Employees and the grant of Nonqualified Stock Options, Restricted Stock Awards, SARs and Performance Units to Consultants and Eligible Directors, subject to the conditions set forth in the Plan.

Section 1.2 Establishment. The Plan is effective as of March 10, 2011 and for a period of ten years thereafter. The Plan shall continue in effect until all matters relating to the payment of Awards and administration of the Plan have been settled. The Plan is subject to approval by the Company’s stockholders in accordance with applicable law which approval must occur within the period ending twelve months after the date the Plan is adopted by the Board. Pending such approval by the stockholders, Awards under the Plan may be granted, but no such Awards may be exercised prior to receipt of stockholder approval. In the event stockholder approval is not obtained within a twelve-month period, all Awards granted shall be void.

Section 1.3 Shares Subject to the Plan. Subject to the limitations set forth in the Plan, Awards may be made under this Plan for a total of 23,000,000 shares of the Company’s common stock, par value \$.00001 per share (the “Common Stock”).

**ARTICLE II
DEFINITIONS**

Section 2.1 “Account” means the recordkeeping account established by the Company to which will be credited an Award of Performance Units to a Participant.

Section 2.2 “Affiliated Entity” means any corporation, partnership, limited liability company or other form of legal entity in which a majority of the partnership or other similar interest thereof is owned or controlled, directly or indirectly, by the Company or one or more of its Subsidiaries or Affiliated Entities or a combination thereof. For purposes hereof, the Company, a Subsidiary or an Affiliated Entity shall be deemed to have a majority ownership interest in a partnership or limited liability company if the Company, such Subsidiary or Affiliated Entity shall be allocated a majority of partnership or limited liability company gains or losses or shall be or control a managing director or a general partner of such partnership or limited liability company.

Section 2.3 “Award” means, individually or collectively, any Option, Restricted Stock Award, SAR, Performance Unit or Performance Bonus granted under the Plan to an Eligible Employee by the Board or any Nonqualified Stock Option, Performance Unit SAR or Restricted Stock Award granted under the Plan to a Consultant or an Eligible Director by the Board pursuant to such terms, conditions, restrictions, and/or limitations, if any, as the Board may establish by the Award Agreement or otherwise.

Section 2.4 "Award Agreement" means any written instrument that establishes the terms, conditions, restrictions, and/or limitations applicable to an Award in addition to those established by this Plan and by the Board's exercise of its administrative powers.

Section 2.5 "Board" means the Board of Directors of the Company and, if the Board has appointed a Committee as provided in Section 3.1, the term "Board" shall include such Committee.

Section 2.6 "Change of Control Event" means each of the following:

(i) Any transaction in which shares of voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the Company are issued by the Company, or sold or transferred by the stockholders of the Company as a result of which those persons and entities who beneficially owned voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the Company immediately prior to such transaction cease to beneficially own voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the Company immediately after such transaction;

(ii) The merger or consolidation of the Company with or into another entity as a result of which those persons and entities who beneficially owned voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the Company immediately prior to such merger or consolidation cease to beneficially own voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the surviving corporation or resulting entity immediately after such merger or consolidation; or

(iii) The sale of all or substantially all of the Company's assets to an entity of which those persons and entities who beneficially owned voting securities of the Company representing more than 50% of the total combined voting power of all outstanding voting securities of the Company immediately prior to such asset sale do not beneficially own voting securities of the purchasing entity representing more than 50% of the total combined voting power of all outstanding voting securities of the purchasing entity immediately after such asset sale.

Section 2.7 "Code" means the Internal Revenue Code of 1986, as amended. References in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

Section 2.8 "Committee" means the Committee appointed by the Board as provided in Section 3.1.

Section 2.9 "Common Stock" means the common stock, par value \$.0001 per share, of the Company, and after substitution, such other stock as shall be substituted therefore as provided in Article X.

Section 2.10 "Consultant" means any person or entity who is engaged by the Company, a Subsidiary or an Affiliated Entity to render consulting or advisory services.

Section 2.11 "Date of Grant" means the date on which the grant of an Award is authorized by the Board or such later date as may be specified by the Board in such authorization.

Section 2.12 "Disability" means the Participant is unable to continue employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. For purposes of this Plan, the determination of Disability shall be made in the sole and absolute discretion of the Board.

Section 2.13 “Eligible Employee” means any employee of the Company, a Subsidiary, or an Affiliated Entity as approved by the Board.

Section 2.14 “Eligible Director” means any member of the Board who is not an employee of the Company, a Subsidiary or an Affiliated Entity.

Section 2.15 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

Section 2.16 “Fair Market Value” means (A) during such time as the Common Stock is registered under Section 12 of the Exchange Act, the closing price of the Common Stock as reported by an established stock exchange or automated quotation system on the day for which such value is to be determined, or, if no sale of the Common Stock shall have been made on any such stock exchange or automated quotation system that day, on the next preceding day on which there was a sale of such Common Stock, or (B) during any such time as the Common Stock is not listed upon an established stock exchange or automated quotation system, the mean between dealer “bid” and “ask” prices of the Common Stock in the over-the-counter market on the day for which such value is to be determined, as reported by the National Association of Securities Dealers, Inc., or (C) during any such time as the Common Stock cannot be valued pursuant to (A) or (B) above, the fair market value shall be as determined by the Board considering all relevant information including, by example and not by limitation, the services of an independent appraiser.

Section 2.17 “Incentive Stock Option” means an Option within the meaning of Section 422 of the Code.

Section 2.18 “Nonqualified Stock Option” means an Option which is not an Incentive Stock Option.

Section 2.19 “Option” means an Award granted under Article V of the Plan and includes both Nonqualified Stock Options and Incentive Stock Options to purchase shares of Common Stock.

Section 2.20 “Participant” means an Eligible Employee, a Consultant or an Eligible Director to whom an Award has been granted by the Board under the Plan.

Section 2.21 “Performance Bonus” means the cash bonus which may be granted to Eligible Employees under Article IX of the Plan.

Section 2.22 “Performance Units” means those monetary units that may be granted to Eligible Employees, Consultants or Eligible Directors pursuant to Article VIII hereof.

Section 2.23 “Plan” means this Elephant Talk Communications, Inc. 2008 Long-Term Incentive Compensation Plan.

Section 2.24 “Restricted Stock Award” means an Award granted to an Eligible Employee, Consultant or Eligible Director under Article VI of the Plan.

Section 2.25 “Retirement” means the termination of an Eligible Employee’s employment with the Company, a Subsidiary or an Affiliated Entity on or after attaining age ____.

Section 2.26 “SAR” means a stock appreciation right granted to an Eligible Employee, Consultant or Eligible Director under Article VII of the Plan.

Section 2.27 “Subsidiary” shall have the same meaning set forth in Section 424 of the Code.

ARTICLE III ADMINISTRATION

Section 3.1 Administration of the Plan by the Board. The Board shall administer the Plan. The Board may, by resolution, appoint the Compensation Committee to administer the Plan and delegate its powers described under this Section 3.1 and otherwise under the Plan for purposes of Awards granted to Eligible Employees and Consultants.

Subject to the provisions of the Plan, the Board shall have exclusive power to:

- (a) Select Eligible Employees and Consultants to participate in the Plan.
- (b) Determine the time or times when Awards will be made to Eligible Employees or Consultants.
- (c) Determine the form of an Award, whether an Incentive Stock Option, Nonqualified Stock Option, Restricted Stock Award, SAR, Performance Unit, or Performance Bonus, the number of shares of Common Stock or Performance Units subject to the Award, the amount and all the terms, conditions (including performance requirements), restrictions and/or limitations, if any, of an Award, including the time and conditions of exercise or vesting, and the terms of any Award Agreement, which may include the waiver or amendment of prior terms and conditions or acceleration or early vesting or payment of an Award under certain circumstances determined by the Board.
- (d) Determine whether Awards will be granted singly or in combination.
- (e) Accelerate the vesting, exercise or payment of an Award or the performance period of an Award.
- (f) Determine whether and to what extent a Performance Bonus may be deferred, either automatically or at the election of the Participant or the Board.
- (g) Take any and all other action it deems necessary or advisable for the proper operation or administration of the Plan.

Section 3.2 Administration of Grants to Eligible Directors. The Board shall have the exclusive power to select Eligible Directors to participate in the Plan and to determine the number of Nonqualified Stock Options, Performance Units, SARs or shares of Restricted Stock awarded to Eligible Directors selected for participation. If the Board appoints a committee to administer the Plan, it may delegate to the committee administration of all other aspects of the Awards made to Eligible Directors.

Section 3.3 Board to Make Rules and Interpret Plan. The Board in its sole discretion shall have the authority, subject to the provisions of the Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan, as it may deem necessary or advisable for the administration of the Plan. The Board's interpretation of the Plan or any Awards and all decisions and determinations by the Board with respect to the Plan shall be final, binding, and conclusive on all parties.

Section 3.4 Section 162(m) Provisions. The Company intends for the Plan and the Awards made there under to qualify for the exception from Section 162(m) of the Code for "qualified performance based compensation" if it is determined by the Board that such qualification is necessary for an Award. Accordingly, the Board shall make determinations as to performance targets and all other applicable provisions of the Plan as necessary in order for the Plan and Awards made there under to satisfy the requirements of Section 162(m) of the Code.

ARTICLE IV GRANT OF AWARDS

Section 4.1 Grant of Awards. Awards granted under this Plan shall be subject to the following conditions:

- (a) Any shares of Common Stock related to Awards which terminate by expiration, forfeiture, cancellation or otherwise without the issuance of shares of Common Stock or are exchanged in the Board's discretion for Awards not involving Common Stock, shall be available again for grant under the Plan and shall not be counted against the shares authorized under Section 1.3.

- (b) Common Stock delivered by the Company in payment of an Award authorized under Articles V and VI of the Plan may be authorized and unissued Common Stock or Common Stock held in the treasury of the Company.
- (c) The Board shall, in its sole discretion, determine the manner in which fractional shares arising under this Plan shall be treated.
- (d) Separate certificates or a book-entry registration representing Common Stock shall be delivered to a Participant upon the exercise of any Option.
- (e) The Board shall be prohibited from canceling, reissuing or modifying Awards if such action will have the effect of repricing the Participant's Award.
- (f) Eligible Directors may only be granted Nonqualified Stock Options, Restricted Stock Awards, SARs or Performance Units under this Plan.
- (g) The maximum term of any Award shall be ten years.

ARTICLE V STOCK OPTIONS

Section 5.1 Grant of Options. The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant Options to Eligible Employees. These Options may be Incentive Stock Options or Nonqualified Stock Options, or a combination of both. The Board may, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant Nonqualified Stock Options to Eligible Directors and Consultants. Each grant of an Option shall be evidenced by an Award Agreement executed by the Company and the Participant, and shall contain such terms and conditions and be in such form as the Board may from time to time approve, subject to the requirements of Section 5.2.

Section 5.2 Conditions of Options. Each Option so granted shall be subject to the following conditions:

- (a) **Exercise Price.** As limited by Section 5.2(e) below, each Option shall state the exercise price which shall be set by the Board at the Date of Grant; provided, however, no Option shall be granted at an exercise price which is less than the Fair Market Value of the Common Stock on the Date of Grant.
- (b) **Form of Payment.** The exercise price of an Option may be paid (i) in cash or by check, bank draft or money order payable to the order of the Company; (ii) by delivering shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the exercise price, but only to the extent such exercise of an Option would not result in an adverse accounting charge to the Company for financial accounting purposes with respect to the shares used to pay the exercise price unless otherwise determined by the Board; or (iii) a combination of the foregoing. In addition to the foregoing, the Board may permit an Option granted under the Plan to be exercised by a broker-dealer acting on behalf of a Participant through procedures approved by the Board.
- (c) **Exercise of Options.** Options granted under the Plan shall be exercisable, in whole or in such installments and at such times, and shall expire at such time, as shall be provided by the Board in the Award Agreement. Exercise of an Option shall be by written notice to the Secretary of the Company at least two business days in advance of such exercise stating the election to exercise in the form and manner determined by the Board. Every share of Common Stock acquired through the exercise of an Option shall be deemed to be fully paid at the time of exercise and payment of the exercise price.
-

(d) Other Terms and Conditions. Among other conditions that may be imposed by the Board, if deemed appropriate, are those relating to (i) the period or periods and the conditions of exercisability of any Option; (ii) the minimum periods during which Participants must be employed by the Company, its Subsidiaries, or an Affiliated Entity, or must hold Options before they may be exercised; (iii) the minimum periods during which shares acquired upon exercise must be held before sale or transfer shall be permitted; (iv) conditions under which such Options or shares may be subject to forfeiture; (v) the frequency of exercise or the minimum or maximum number of shares that may be acquired at any one time; (vi) the achievement by the Company of specified performance criteria; and (vii) non-compete and protection of business matters.

(e) Special Restrictions Relating to Incentive Stock Options. Options issued in the form of Incentive Stock Options shall only be granted to Eligible Employees of the Company or a Subsidiary, and not to Eligible Employees of an Affiliated Entity unless such entity shall be considered as a “disregarded entity” under the Code and shall not be distinguished for federal tax purposes from the Company or the applicable Subsidiary.

(f) Application of Funds. The proceeds received by the Company from the sale of Common Stock pursuant to Options will be used for general corporate purposes.

(g) Stockholder Rights. No Participant shall have a right as a stockholder with respect to any share of Common Stock subject to an Option prior to purchase of such shares of Common Stock by exercise of the Option.

ARTICLE VI RESTRICTED STOCK AWARDS

Section 6.1 Grant of Restricted Stock Awards. The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant a Restricted Stock Award to Eligible Employees, Consultants or Eligible Directors. Restricted Stock Awards shall be awarded in such number and at such times during the term of the Plan as the Board shall determine. Each Restricted Stock Award shall be subject to an Award Agreement setting forth the terms of such Restricted Stock Award and may be evidenced in such manner as the Board deems appropriate, including, without limitation, a book-entry registration or issuance of a stock certificate or certificates.

Section 6.2 Conditions of Restricted Stock Awards. The grant of a Restricted Stock Award shall be subject to the following:

(a) Restriction Period. Restricted Stock Awards granted to an Eligible Employee shall require the holder to remain in the employment of the Company, a Subsidiary, or an Affiliated Entity for a prescribed period. Restricted Stock Awards granted to Consultants or Eligible Directors shall require the holder to provide continued services to the Company for a period of time. These employment and service requirements are collectively referred to as a “Restriction Period”. The Board or the Committee, as the case may be, shall determine the Restriction Period or Periods which shall apply to the shares of Common Stock covered by each Restricted Stock Award or portion thereof. In addition to any time vesting conditions determined by the Board or the Committee, as the case may be, Restricted Stock Awards may be subject to the achievement by the Company of specified performance criteria based upon the Company’s achievement of all or any of the operational, financial or stock performance criteria set forth on Exhibit A annexed hereto, as may from time to time be established by the Board or the Committee, as the case may be. At the end of the Restriction Period, assuming the fulfillment of any other specified vesting conditions, the restrictions imposed by the Board or the Committee, as the case may be shall lapse with respect to the shares of Common Stock covered by the Restricted Stock Award or portion thereof. In addition to acceleration of vesting upon the occurrence of a Change of Control Event as provided in Section 11.5, the Board or the Committee, as the case may be, may, in its discretion, accelerate the vesting of a Restricted Stock Award in the case of the death, Disability or Retirement of the Participant who is an Eligible Employee or resignation of a Participant who is a Consultants or an Eligible Director.

(b) Restrictions. The holder of a Restricted Stock Award may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the shares of Common Stock represented by the Restricted Stock Award during the applicable Restriction Period. The Board shall impose such other restrictions and conditions on any shares of Common Stock covered by a Restricted Stock Award as it may deem advisable including, without limitation, restrictions under applicable Federal or state securities laws, and may legend the certificates representing Restricted Stock to give appropriate notice of such restrictions.

(c) Rights as Stockholders. During any Restriction Period, the Board may, in its discretion, grant to the holder of a Restricted Stock Award all or any of the rights of a stockholder with respect to the shares, including, but not by way of limitation, the right to vote such shares and to receive dividends. If any dividends or other distributions are paid in shares of Common Stock, all such shares shall be subject to the same restrictions on transferability as the shares of Restricted Stock with respect to which they were paid.

ARTICLE VII STOCK APPRECIATION RIGHTS

Section 7.1 Grant of SARs. The Board may from time to time, in its sole discretion, subject to the provisions of the Plan and subject to other terms and conditions as the Board may determine, grant a SAR to any Eligible Employee, Consultant or Eligible Director. SARs may be granted in tandem with an Option, in which event, the Participant has the right to elect to exercise either the SAR or the Option. Upon the Participant's election to exercise one of these Awards, the other tandem Award is automatically terminated. SARs may also be granted as an independent Award separate from an Option. Each grant of a SAR shall be evidenced by an Award Agreement executed by the Company and the Participant and shall contain such terms and conditions and be in such form as the Board may from time to time approve, subject to the requirements of the Plan. The exercise price of the SAR shall not be less than the Fair Market Value of a share of Common Stock on the Date of Grant of the SAR.

Section 7.2 Exercise and Payment. SARs granted under the Plan shall be exercisable in whole or in installments and at such times as shall be provided by the Board in the Award Agreement. Exercise of a SAR shall be by written notice to the Secretary of the Company at least two business days in advance of such exercise. The amount payable with respect to each SAR shall be equal in value to the excess, if any, of the Fair Market Value of a share of Common Stock on the exercise date over the exercise price of the SAR. Payment of amounts attributable to a SAR shall be made in shares of Common Stock.

Section 7.3 Restrictions. In the event a SAR is granted in tandem with an Incentive Stock Option, the Board shall subject the SAR to restrictions necessary to ensure satisfaction of the requirements under Section 422 of the Code. In the case of a SAR granted in tandem with an Incentive Stock Option to an Eligible Employee who owns more than 10% of the combined voting power of the Company or its Subsidiaries on the date of such grant, the amount payable with respect to each SAR shall be equal in value to the applicable percentage of the excess, if any, of the Fair Market Value of a share of Common Stock on the Exercise date over the exercise price of the SAR, which exercise price shall not be less than 110% of the Fair Market Value of a share of Common Stock on the date the SAR is granted.

ARTICLE VIII PERFORMANCE UNITS

Section 8.1 Grant of Awards. The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant Performance Units to Eligible Employees, Consultants and Eligible Directors. Each Award of Performance Units shall be evidenced by an Award Agreement executed by the Company and the Participant, and shall contain such terms and conditions and be in such form as the Board may from time to time approve, subject to the requirements of Section 8.2.

Section 8.2 Conditions of Awards. Each Award of Performance Units shall be subject to the following conditions:

(a) Establishment of Award Terms. Each Award shall state the target, maximum and minimum value of each Performance Unit payable upon the achievement of performance goals.

(b) Achievement of Performance Goals. The Board shall establish performance targets for each Award for a period of no less than a year based upon some or all of the operational, financial or performance criteria listed in Exhibit A attached. The Board shall also establish such other terms and conditions as it deems appropriate to such Award. The Award may be paid out in cash or Common Stock as determined in the sole discretion of the Board.

ARTICLE IX PERFORMANCE BONUS

Section 9.1 Grant of Performance Bonus. The Board may from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may determine, grant a Performance Bonus to certain Eligible Employees selected for participation. The Board will determine the amount that may be earned as a Performance Bonus in any period of one year or more upon the achievement of a performance target established by the Board. The Board shall select the applicable performance target(s) for each period in which a Performance Bonus is awarded. The performance target shall be based upon all or some of the operational, financial or performance criteria more specifically listed in Exhibit A attached.

Section 9.2 Payment of Performance Bonus. In order for any Participant to be entitled to payment of a Performance Bonus, the applicable performance target(s) established by the Board must first be obtained or exceeded. Payment of a Performance Bonus shall be made within 60 days of the Board's certification that the performance target(s) has been achieved unless the Participant has previously elected to defer payment pursuant to a nonqualified deferred compensation plan adopted by the Company. Payment of a Performance Bonus may be made in either cash or Common Stock as determined in the sole discretion of the Board.

ARTICLE X STOCK ADJUSTMENTS

In the event that the shares of Common Stock, as constituted on the effective date of the Plan, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, stock split, spin-off, combination of shares or otherwise), or if the number of such shares of Common Stock shall be increased through the payment of a stock dividend, or a dividend on the shares of Common Stock, or if rights or warrants to purchase securities of the Company shall be issued to holders of all outstanding Common Stock, then there shall be substituted for or added to each share available under and subject to the Plan, and each share theretofore appropriated under the Plan, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock shall be so changed or for which each such share shall be exchanged or to which each such share shall be entitled, as the case may be, on a fair and equivalent basis in accordance with the applicable provisions of Section 424 of the Code; provided, however, with respect to Options, in no such event will such adjustment result in a modification of any Option as defined in Section 424(h) of the Code. In the event there shall be any other change in the number or kind of the outstanding shares of Common Stock, or any stock or other securities into which the Common Stock shall have been changed or for which it shall have been exchanged, then if the Board shall, in its sole discretion, determine that such change equitably requires an adjustment in the shares available under and subject to the Plan, or in any Award, theretofore granted, such adjustments shall be made in accordance with such determination, except that no adjustment of the number of shares of Common Stock available under the Plan or to which any Award relates that would otherwise be required shall be made unless and until such adjustment either by itself or with other adjustments not previously made would require an increase or decrease of at least 1% in the number of shares of Common Stock available under the Plan or to which any Award relates immediately prior to the making of such adjustment (the "Minimum Adjustment"). Any adjustment representing a change of less than such minimum amount shall be carried forward and made as soon as such adjustment together with other adjustments required by this Article X and not previously made would result in a Minimum Adjustment. Notwithstanding the foregoing, any adjustment required by this Article X which otherwise would not result in a Minimum Adjustment shall be made with respect to shares of Common Stock relating to any Award immediately prior to exercise, payment or settlement of such Award. No fractional shares of Common Stock or units of other securities shall be issued pursuant to any such

**ARTICLE XI
GENERAL**

Section 11.1 Amendment or Termination of Plan. The Board may alter, suspend or terminate the Plan at any time provided, however, that it may not, without stockholder approval, adopt any amendment which would (i) increase the aggregate number of shares of Common Stock available under the Plan (except by operation of Article X), (ii) materially modify the requirements as to eligibility for participation in the Plan, or (iii) materially increase the benefits to Participants provided by the Plan.

Section 11.2 Termination of Employment; Termination of Service. If an Eligible Employee's employment with the Company, a Subsidiary or an Affiliated Entity terminates as a result of death, Disability or Retirement, the Eligible Employee (or personal representative in the case of death) shall be entitled to purchase all or any part of the shares subject to any (i) vested Incentive Stock Option for a period of up to three months from such date of termination (one year in the case of death or Disability (as defined above) in lieu of the three-month period), and (ii) vested Nonqualified Stock Option during the remaining term of the Option. If an Eligible Employee's employment terminates for any other reason, the Eligible Employee shall be entitled to purchase all or any part of the shares subject to any vested Option for a period of up to three months from such date of termination. In no event shall any Option be exercisable past the term of the Option. The Board may, in its sole discretion, accelerate the vesting of unvested Options in the event of termination of employment of any Participant.

In the event a Consultant ceases to provide services to the Company or an Eligible Director terminates service as a director of the Company, the unvested portion of any Award shall be forfeited unless otherwise accelerated pursuant to the terms of the Eligible Director's Award Agreement or by the Board. The Consultant or Eligible Director shall have a period of three years following the date he ceases to provide consulting services or ceases to be a director, as applicable, to exercise any Nonqualified Stock Options which are otherwise exercisable on his date of termination of service.

Section 11.3 Limited Transferability – Options. The Board may, in its discretion, authorize all or a portion of the Nonqualified Stock Options granted under this Plan to be on terms which permit transfer by the Participant to (i) the ex-spouse of the Participant pursuant to the terms of a domestic relations order, (ii) the spouse, children or grandchildren of the Participant ("Immediate Family Members"), (iii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iv) a partnership or limited liability company in which such Immediate Family Members are the only partners or members. In addition, there may be no consideration for any such transfer. The Award Agreement pursuant to which such Nonqualified Stock Options are granted expressly provide for transferability in a manner consistent with this paragraph. Subsequent transfers of transferred Nonqualified Stock Options shall be prohibited except as set forth below in this Section 11.3. Following transfer, any such Nonqualified Stock Options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Section 11.2 hereof the term "Participant" shall be deemed to refer to the transferee. The events of termination of employment of Section 11.2 hereof shall continue to be applied with respect to the original Participant, following which the Nonqualified Stock Options shall be exercisable by the transferee only to the extent, and for the periods specified in Section 11.2 hereof. No transfer pursuant to this Section 11.3 shall be effective to bind the Company unless the Company shall have been furnished with written notice of such transfer together with such other documents regarding the transfer as the Board shall request. With the exception of a transfer in compliance with the foregoing provisions of this Section 11.3, all other types of Awards authorized under this Plan shall be transferable only by will or the laws of descent and distribution; however, no such transfer shall be effective to bind the Company unless the Board has been furnished with written notice of such transfer and an authenticated copy of the will and/or such other evidence as the Board may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions of such Award.

Section 11.4 Withholding Taxes. Unless otherwise paid by the Participant, the Company, its Subsidiaries or any of its Affiliated Entities shall be entitled to deduct from any payment under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld with respect to such payment or may require the Participant to pay to it such tax prior to and as a condition of the making of such payment. In accordance with any applicable administrative guidelines it establishes, the Board may allow a Participant to pay the amount of taxes required by law to be withheld from an Award by (i) directing the Company to withhold from any payment of the Award a number of shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the required withholding taxes or (ii) delivering to the Company previously owned shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the required withholding taxes. However, any payment made by the Participant pursuant to either of the foregoing clauses (i) or (ii) shall not be permitted if it would result in an adverse accounting charge with respect to such shares used to pay such taxes unless otherwise approved by the Board.

Section 11.5 Change of Control. Notwithstanding any other provision in this Plan to the contrary, Awards granted under the Plan to any Eligible Employee, Consultant or Eligible Director shall be immediately vested, fully earned and exercisable upon the occurrence of a Change of Control Event unless the terms of the Award state otherwise.

Section 11.6 Amendments to Awards. Subject to the limitations of Article IV, such as the prohibition on repricing of Options, the Board may at any time unilaterally amend the terms of any Award Agreement, whether or not presently exercisable or vested, to the extent it deems appropriate. However, amendments which are adverse to the Participant shall require the Participant's consent.

Section 11.7 Registration; Regulatory Approval. Following approval of the Plan by the stockholders of the Company as provided in Section 1.2 of the Plan, the Board, in its sole discretion, may determine to file with the Securities and Exchange Commission and keep continuously effective, a Registration Statement on Form S-8 with respect to shares of Common Stock subject to Awards hereunder. Notwithstanding anything contained in this Plan to the contrary, the Company shall have no obligation to issue shares of Common Stock under this Plan prior to the obtaining of any approval from, or satisfaction of any waiting period or other condition imposed by, any governmental agency which the Board shall, in its sole discretion, determine to be necessary or advisable.

Section 11.8 Right to Continued Employment. Participation in the Plan shall not give any Eligible Employee any right to remain in the employ of the Company, any Subsidiary, or any Affiliated Entity. The Company or, in the case of employment with a Subsidiary or an Affiliated Entity, the Subsidiary or Affiliated Entity reserves the right to terminate any Eligible Employee at any time. Further, the adoption of this Plan shall not be deemed to give any Eligible Employee or any other individual any right to be selected as a Participant or to be granted an Award.

Section 11.9 Reliance on Reports. Each member of the Board and each member of the Board shall be fully justified in relying or acting in good faith upon any report made by the independent public accountants of the Company and its Subsidiaries and upon any other information furnished in connection with the Plan by any person or persons other than himself or herself. In no event shall any person who is or shall have been a member of the Board be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information or for any action taken, including the furnishing of information, or failure to act, if in good faith.

Section 11.10 Construction. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for the convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

Section 11.11 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware except as superseded by applicable Federal law.

Section 11.12 Other Laws. The Board may refuse to issue or transfer any shares of Common Stock or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

Section 11.13 No Trust or Fund Created. Neither the Plan nor an Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that a Participant acquires the right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company.

Section 11.14 Conformance to Section 409A of the Code To the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance, the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

EXHIBIT A

2008 Long-Term Incentive Compensation Plan Performance Criteria

Operational Criteria may include:

Reserve additions/replacements

Finding & development costs

Production volume

Production Costs

Financial Criteria may include:

Earnings (net income, earnings before interest, taxes, depreciation and amortization ("EBITDA"))

Earnings per share:

Cash flow

Operating income

General and Administrative Expenses

Debt to equity ratio

Debt to cash flow

Debt to EBITDA

EBITDA to Interest

Return on Assets

Return on Equity

Return on Invested Capital

Profit returns/margins

Midstream margins

Stock Performance Criteria:

Stock price appreciation

Total stockholder return

Relative stock price performance

EXHIBIT T-19

[Pareteum's Proxy Statement, including By-Laws attached as Appendix C]

As filed with the Securities and Exchange Commission on June 18, 2019

Registration No. 333-

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

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Pareteum Corporation

(Exact name of registrant as specified in charter)

Delaware	95-4557538
(State or other	(I.R.S. Employer
jurisdiction of	Identification No.)
incorporation or	
organization)	

**1185 Avenue of the Americas, 37th Floor
New York, New York 10036
Telephone: (212) 984-1096**
(Address, including zip code, and telephone number,
including area code, of principal executive offices)

Mr. Robert H. Turner, Chief Executive Officer and Executive Chairman

**1185 Avenue of the Americas, 37th Floor
New York, New York 10036
Telephone: (212) 984-1096**
(Address, including zip code, and telephone number,
including area code, of agent for service)

Copies to:

**Darrin Ocasio, Esq.
Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, New York 10036
Telephone: (212) 930-9700
Fax Number: (212) 930-9725**

**Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this registration statement.**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

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, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please 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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☐

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒
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 new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.00001 per share	850,000(1)	\$3.03(2)	\$2,575,500(2)	\$312.15

- (1) Pursuant to Rule 416 under the Securities Act, the shares of common stock, par value \$0.00001 per share ("Common Stock") being registered hereunder include such indeterminate number of shares of Common Stock as may be issuable with respect to the shares of Common Stock being registered hereunder as a result of stock splits, stock dividends or in connection with a stock combination, recapitalization, merger, consolidation or otherwise.
- (2) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(c) under the Securities Act, based on the average of the high and low prices reported for the shares of Common Stock as reported on the Nasdaq Capital Market on June 14, 2019.

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 that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this 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 prospectus is not an offer to sell these securities and the selling stockholders are not soliciting offers to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 18, 2019

PROSPECTUS

Pareteum Corporation

850,000 Shares

Common Stock

The selling stockholders named in this prospectus under the heading "Selling Stockholders" may offer and sell up to an aggregate of 850,000 shares of our common stock, par value \$0.00001 per share ("Common Stock"), from time to time. We will not receive any of the proceeds from the sale of the Common Stock by the selling stockholders.

The securities may be offered and sold by the selling stockholders from time to time at fixed prices, at market prices or at negotiated prices, and may be offered and sold to or through one or more underwriters, dealers or agents or directly to purchasers on a continuous or delayed basis. See "Plan of Distribution."

Our Common Stock is currently listed on the Nasdaq Capital Market under the symbol "TEUM." On June 14, 2019, the last reported sale price of our Common Stock on the Nasdaq Capital Market was \$2.99 per share.

You should read this prospectus and any supplement carefully before you purchase any of our securities. You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information.

Investing in these securities involves risks, including those set forth in the "Risk Factors" section of the prospectus and of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), which is incorporated by reference into this prospectus as well as any amendment or update to our risk factors reflected in subsequent filings with the SEC.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2019.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC. The selling stockholders named in this prospectus may from time to time offer and sell up to an aggregate 850,000 shares of our Common Stock in one or more offerings. This prospectus provides you with a general description of the securities that the selling stockholders may offer and sell. You should carefully read this prospectus, together with the more detailed information regarding our company and our Common Stock that appear elsewhere in this prospectus and any applicable prospectus supplement, together with the additional information (including our financial statements and notes to those statements) that we incorporate in this prospectus by reference (which we describe under the heading "Incorporation of Information By Reference") before investing in any of the securities offered.

We have filed or incorporated by reference exhibits to the registration statement of which this prospectus forms a part. You should read the exhibits carefully for provisions that may be important to you.

Neither we nor any selling stockholder has authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying supplement to this prospectus. You should not assume that the information in this prospectus or any prospectus accompanying supplement is accurate as of any date other than the date on the front of those documents or that any document incorporated by reference is accurate as of any date other than its filing date. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or any accompanying prospectus supplement. This prospectus and any accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are accessible through the Internet at that website. Our SEC reports and amendments to those reports are also available for download, free of charge, as soon as reasonably practicable after these reports are filed with the SEC, at our website at www.pareteum.com. The content contained in, or that can be accessed through, our website is not a part of this prospectus.

Unless the context indicates otherwise, as used in this prospectus, the terms "Pareteum," "Company," "we," "us" and "our" refer to Pareteum Corporation and its consolidated subsidiaries.

INCORPORATION OF INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below:

[Our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 that we filed with the SEC on March 18, 2019;](#)

[Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 that we filed with the SEC on May 10, 2019;](#)

Our Current Reports on Form 8-K filed with the SEC on [February 13, 2019](#), [February 26, 2019](#); [March 12, 2019](#), [May 24, 2019](#), and on Form 8-K/A filed with the SEC on [June 13, 2019](#);

The description of our Common Stock contained in our registration statement on [Form 8-A filed on November 30, 2011 \(Registration no. 001-35360\)](#) with the SEC, including any amendment or report filed for the purpose of updating such description;

All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") after the date of the initial filing of the registration statement of which this prospectus is a part and prior to the effectiveness of such registration statement; and

All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before we stop offering the securities under this prospectus.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus but not delivered with this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from us, at no cost, by writing or telephoning us at: Pareteum Corporation, 1185 Avenue of the Americas, 37th Floor, New York, NY 10036, (212) 984-1096, Attention: Edward O'Donnell.

The most recent information that we file with the SEC automatically updates and supersedes older information. The information contained in any such filing will be deemed to be a part of this prospectus, commencing on the date on which the filing is made.

Information furnished under Items 2.02 or 7.01 (or corresponding information furnished under Item 9.01 or included as an exhibit) in any past or future Current Report on Form 8-K that we file with the SEC, unless otherwise specified in such report, is not incorporated by reference in this prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this prospectus, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under "Risk Factors" or elsewhere in this prospectus, which may cause our or our industry's actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this prospectus, and in particular, the risks discussed below and under the heading “Risk Factors” and those discussed in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended December 31, 2018 and 2017 and notes incorporated by reference therein, and the consolidated financial statements for iPass Inc. for the fiscal years ended December 31, 2018 and 2017 and notes incorporated by reference therein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this prospectus. You should be aware that the occurrence of the events described in the section entitled “Risk Factors” and elsewhere in this prospectus could negatively affect our business, operating results, financial condition and stock price. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this prospectus to conform our statements to actual results or changed expectations.

RISK FACTORS

Our business is influenced by many factors that are difficult to predict, and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition. Before making an investment decision, you should carefully consider these risks set forth in the "Risk Factors" section of our Annual Report on Form 10-K, as filed with the SEC on March 18, 2019 which is incorporated by reference into this prospectus, as well as any amendment or update to our risk factors reflected in subsequent filings with the SEC and any applicable prospectus supplement. You should also carefully consider any other information we include or incorporate by reference in this prospectus. Any such risk could cause our business, financial condition or operating results to suffer. The market price of our Common Stock could decline if one or more of these risks and uncertainties develop into actual events. You could lose all or part of your investment.

PARETEUM CORPORATION

Overview

Pareteum Corporation (Nasdaq: TEUM) is a rapidly growing cloud software communications platform company with a mission - *to connect every person and every(thing)™*.

Millions of people and devices are connected around the world using Pareteum’s global cloud software communications platform, enhancing their mobile experience. Pareteum unleashes the power of applications and mobile services, bringing secure, ubiquitous, scalable, and seamlessly available voice, video, SMS/text messaging, and data services to our customers, making worldwide communications services easily and economically accessible to everyone. By harnessing the value of our cloud communications platform, Pareteum serves enterprises, communications service providers, early stage innovators, developers, Internet-of-Things (“IoT”), and telecommunications infrastructure providers Pareteum envisions a new mobile communications experience imagining what will be, and delivering now.

With estimates of up to 30 billion devices to be managed and connected the total available market is astoundingly large. Service Providers, Brand Marketing Companies, Enterprise and Internet of Things providers use Pareteum to energize their growth and profitability through cloud communication services and complete turnkey solutions featuring relevant content, applications, and connectivity worldwide. To achieve this, Pareteum has developed, and added through its acquisition of Artilium plc, public limited company registered in England and Wales (“Artilium”) and iPass Inc., patent pending software platforms which are connected to 59 mobile networks in 80 countries using multiple different communications channels including mobile telephony, data, SMS, VOIP, OTT services – all over the world. Pareteum integrates all these disparate communications methods and services and brings them to life for customers and application developers, allowing communications to become value-added. This is a major strategic target for many industries, from legacy telecommunications providers to the disruptive technology and data enterprises of today and the future.

The vast majority of our platform is comprised of our self-developed software and intellectual property, which provides our customers with a great deal of flexibility in how they use our products now and in the future and allows us to be market driven in our future. We have approximately 40 patents granted in relation to techniques and processes which support our cloud software and communications platform solutions. Our platform services partners (technologies integrated into our cloud) include: HPE, IBM, Sonus, Oracle, Microsoft, NetNumber, Affirmed and other world class technology providers.

Pareteum is a mission focused company empowering every person and every “thing” to be globally connected – **ANY DEVICE, ANY NETWORK, ANYWHERE™**. The Pareteum cloud communications platform targets large and growing sectors from IoT, Mobile Virtual Network Operators (MVNO), Smart Cities, and Application developer markets - each in need of mobile platforms, management and connectivity. These sectors need Communications-Platform-as-a-Service (CPaaS), which Pareteum delivers. Our solutions have received industry acclaim.

At Pareteum, our mission is to create an easily accessible open mobility system for the world. We believe that open software and interfaces for mobility and applications will create more innovation, economic freedom, and opportunity equality worldwide, just like the internet did for information.

The Pareteum Ecosystem

Our value proposition intersects with numerous applications and industries. It is our strong belief that no other company in the CPaaS market offers similarly broad value in such a comprehensive way. An easily accessible open mobility system for the world is difficult to get started because it requires a “network effect”. The network effect is an observable condition that yields increased value to the “new easily accessible open mobility system for the world”, and all users of the system as more users come on board. The essence of this point is that every communication – a transaction – requires both a sender and recipient who are willing to access and use the new system. We aim to provide the marketplace exchange on which these transactions take place, and will attract new users.

Innovative Use Cases

Many sectors, from traditional network operators to disruptive technology and data-driven companies have found many innovative use cases for our platforms. Beyond simply enabling communications between people and devices, the platforms of Pareteum enable:

- Smart homes, including smart appliances, smart energy meters, wearables etc.
- Connected cars
- Smart cities
- Smart logistics and supply chains
- Smart healthcare applications
- Smart defense

In addition to the foregoing, as a result of certain acquisitions completed in October 2018 and February 2019, the Company has acquired certain intellectual property portfolios, which it now manages through various wholly-owned direct and indirect subsidiaries (the “Acquired IP Rights”). The Company utilizes patent, copyright, trademark and trade secret laws in the United States, Europe, and elsewhere to protect the Acquired IP Rights.

One TEUM!

Having welcomed our TEUMates from Artidium and iPass into the group, we have immediately set about fully integrating our workforces, our technologies and our business processes to ensure that as the business grows the company’s growth rate and momentum is maintained and accelerated. We call these parallel initiatives the One Teum!

Business Model

At Pareteum, our mission is to create an easily accessible open mobility system for the world. We believe that open software and interfaces for communications services will create more innovation, economic freedom, and opportunity equality worldwide, just like the internet did for information.

However, an easily accessible open mobility system for the world is challenging to scale because it requires a “network effect”. The network effect is the principle that a service yields increased value as it grows. The essence of this point is that our business and our services will grow in value as we grow and scale. We aim to achieve that growth by providing the marketplace exchange on which these communications and transactions take place, and in doing so we attract new users and more customers.

To achieve our desired and rapid growth, we are using our managed services solutions as a launching pad from which to grow our Global Cloud Services Platform and Application Exchange & Developer Platform. This process is already well underway, including with our anchor customer Vodafone.

Go-to-Market and Growth Strategy

Pareteum is in fast-growth mode, which will be achieved through a combination of organic growth as well as targeted and accretive mergers & acquisitions, such as the recent acquisitions of Artilium and iPass, as well as others that will be identified from time to time.

Pareteum continues to win new long-term contractual business. We expect this pace to increase throughout 2019 and beyond. We see many new opportunities, including those that leverage our support of emerging technologies, which is at the heart of our identity management and payment systems integration plans.

Our focus is on selling and implementing new communications services and IoT opportunities as fast as possible, as the world of connected devices and people continues to rise on a daily basis.

We will measure our growth in the numbers of ‘Connections’ that we on-board to our platforms, be they SIM cards, handsets, devices, vehicles etc. As at December 31, 2018, we had approximately 4,609,000 connections, an increase of 252% over the end of the prior year.

Our go-to-market strategy uses a four-phase approach:

- Phase 1:* We continue to attract new subscribers across all verticals to all our platforms through direct sales, existing channel partnerships and new initiatives such as referral programs.
- Phase 2:* We will continue to on-board new communication services providers, multiplying our own growth, largely through business development and direct sales in each of our six defined sales regions (North America, Latin America, Europe, Middle East, Africa, and Asia-Pac).
- Phase 3:* We will drive adoption through a twin approach. First, we will be on-boarding more Connections which are already active on our Managed Services and Global Cloud Platforms, as our initial user base. Second, we will be drawing in new customers and end-users to the Application Exchange & Developer Platform. These will be people with the greatest pain point, who are underserved by the current mobility networks and applications (including in developing markets).
- Phase 4:* At this stage, our strategic Application Exchange & Developer Platform customers will have their own go-to-market strategy, creating shared value, ranging from traditional consumer strategies to sophisticated B2B and B2B2C strategies, driving and expanding our ecosystem to new heights.

The phases described above are already being implemented, in parallel as far as possible, for the fastest most sustainable growth and this highlights our strategy for accelerating the world’s shift to an open mobility and application network. When we’re successful, it will accelerate the pace of innovation in the world, create more economic freedom, and provide better mobility services to billions of underserved people.

CORPORATE INFORMATION

Pareteum Corporation, a Delaware corporation, was originally formed in 2001 as Elephant Talk Communications Corp. as a result of a merger between Staruni Corporation (USA, 1962) and Elephant Talk Limited (Hong Kong, 1994).

In December 2011, the Company moved its listing from the OTCBB to the NYSE MKT (now known as the NYSE American) and its stock began trading at that time under the ticker symbol “ETAK”.

Following approval at the Company’s 2016 annual shareholder meeting, the Company was rebranded and formally renamed to Pareteum Corporation and on November 3, 2016, the Company started trading on the Exchange under the current ticker symbol “TEUM”. On October 23, 2018, the company moved its listing to Nasdaq under its current ticker symbol “TEUM”.

Pareteum currently has offices in North America, South America, Spain, Bahrain, Singapore, Indonesia, Germany, Belgium, United Kingdom, Russia, Netherlands and India.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our Common Stock by the selling stockholders named in this prospectus.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 500,000,000 shares of Common Stock and 50,000,000 shares of preferred stock, par value \$0.00001 per share. As of June 13, 2019, 111,647,349 shares of our Common Stock, and no shares of our preferred stock, were outstanding.

Common Stock

Dividend Rights

Holders of the common stock may receive dividends when, as and if declared by our board of directors out of the assets legally available for that purpose and subject to the preferential dividend rights of any other classes or series of stock of our Company. We have never paid, and have no plans to pay, any dividends on our shares of common stock.

Voting Rights

Holders of the common stock are entitled to one vote per share in all matters as to which holders of common stock are entitled to vote. Holders of not less than a majority of the outstanding shares of common stock entitled to vote at any meeting of stockholders constitute a quorum unless otherwise required by law.

Election of Directors

Directors hold office until the next annual meeting of stockholders and are eligible for re-election at such meeting. Directors are elected by a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors, except that if the number of director nominees exceeds the number of directors to be elected, directors are elected by a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. There is no cumulative voting for directors.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of the common stock have the right to receive ratably and equally all of the assets remaining after payment of liabilities and liquidation preferences of any preferred stock then outstanding.

Redemption

The common stock is not redeemable or convertible and does not have any sinking fund provisions.

Preemptive Rights

Holders of the common stock do not have preemptive rights.

Other Rights

Our common stock is not liable to further calls or to assessment by the registrant and for liabilities of the registrant imposed on its stockholders under state statutes.

Right to Amend Bylaws

The board of directors has the power to adopt, amend or repeal the bylaws. Bylaws adopted by the board of directors may be repealed or changed, and new bylaws made, by the stockholders, and the stockholders may prescribe that any bylaw made by them shall not be altered, amended or repealed by the board of directors.

Change in Control

Provisions of Delaware law and our certificate of incorporation and bylaws could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include:

Section 203 of the DGCL, which prohibits a merger with a 15%-or-greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15%-or-greater stockholder; and

The authorization in our certificate of incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover.

Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock.

Market, Symbol and Transfer Agent

Our common stock is listed for trading on the Nasdaq under the symbol “TEUM”. The transfer agent and registrar for our common stock is Continental Stock Transfer and Trust Company.

Preferred Stock

Our certificate of incorporation, as amended, empowers our board of directors, without action by our shareholders, to issue up to 50,000,000 shares of preferred stock from time to time in one or more series, which preferred stock may be offered by this prospectus and supplements thereto.

Our board has the right to fix the rights, preferences, privileges and restrictions of our authorized but undesignated preferred stock of each series in the certificate of designation relating to that series. We will file as an exhibit to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, the form of any certificate of designation that describes the terms of the series of preferred stock we are offering before the issuance of the related series of preferred stock. This description will include any or all of the following, as required:

- the title and stated value;
- the number of shares we are offering;

- the liquidation preference per share;
- the purchase price;
- the dividend rate, period and payment date and method of calculation for dividends;
- whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;
- any contractual limitations on our ability to declare, set aside or pay any dividends;
- the procedures for any auction and remarketing, if any;
- the provisions for a sinking fund, if any;
- the provisions for redemption or repurchase, if applicable, and any restrictions on our ability to exercise those redemption and repurchase rights;
- any listing of the preferred stock on any securities exchange or market;
- whether the preferred stock will be convertible into our common stock, and, if applicable, the conversion price, or how it will be calculated, and the conversion period;
- whether the preferred stock will be exchangeable into debt securities, and, if applicable, the exchange price, or how it will be calculated, and the exchange period;
- voting rights, if any, of the preferred stock;
- preemptive rights, if any;
- restrictions on transfer, sale or other assignment, if any;
- whether interests in the preferred stock will be represented by depositary shares;
- a discussion of any material or special United States federal income tax considerations applicable to the preferred stock;
- the relative ranking and preferences of the preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs;
- any limitations on issuance of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs; and
- any other specific terms, preferences, rights or limitations of, or restrictions on, the preferred stock.

If we issue shares of preferred stock under this prospectus, after receipt of payment therefor, the shares will be fully paid and non-assessable.

The Delaware General Corporation Law provides that the holders of preferred stock will have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of that preferred stock. This right is in addition to any voting rights provided for in the applicable certificate of designation.

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. Preferred stock could be issued quickly with terms designed to delay or prevent a change in control of our Company or make removal of management more difficult. Additionally, the issuance of preferred stock could have the effect of decreasing the market price of our common stock.

As of June 13, 2019, we had:

- 8,981,608 shares of Common Stock issuable upon the exercise of stock options outstanding with a weighted average exercise price of approximately \$1.86 per share;
- 3,191,233 shares of Common Stock issuable upon the exercise of outstanding or issuable warrants with a weighted average exercise price of approximately \$2.56 per share.

SELLING STOCKHOLDERS

The selling stockholders named below may offer to sell from time to time in the future up to an aggregate of 850,000 shares of our Common Stock, which were previously acquired by such stockholders as further described below.

On April 22, 2019, the Company, together with Devicescape Holdings, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (the “Holdco” and together with the Company, the “Buyer”) entered into an asset purchase agreement (the “Purchase Agreement”) with Devicescape Software, Inc., a California corporation (“Devicescape”), whereby the Holdco acquired substantially all of the assets of Devicescape, including certain technology that the Company’s subsidiary, iPass, licenses from Devicescape and certain account receivables owed by iPass and other third parties to Devicescape. In addition to the acquisition of Devicescape’s assets, Holdco assumed certain of its liabilities. In connection with the acquisition and assumption, and pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, the Company paid cash consideration of \$1,500,000, immediately paid off a debt obligation equal to \$67,058 owed by Devicescape in order to unencumber certain assets, and issued to Devicescape an aggregate of 400,000 shares of the Company’s common stock.

On May 29, 2019, the Company issued Ali Davachi 150,000 shares as compensation for software development services.

The Company is obligated to issue to Roth Capital Partners, LLC 300,000 shares as compensation for services.

Unless otherwise indicated, each selling stockholder has sole voting and investment power with respect to its shares of Common Stock. All of the information contained in the table below is based solely upon information provided to us by the selling stockholders or otherwise known by us. In addition to the shares offered hereby, the selling stockholders may otherwise beneficially own our shares of Common Stock as a result of, among others, open market purchases, which information is not obtainable by us without undue effort and expense. The selling stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or from time to time since the date on which the information regarding the shares beneficially owned was last known by us, all or a portion of the shares beneficially owned in transactions exempt from the registration requirements of the Securities Act.

Information concerning the selling stockholders may change from time to time and any changed information will be set forth in supplements to this prospectus, if and when necessary. The selling stockholders may offer all, some or none of their shares of Common Stock. We cannot advise you as to whether the selling stockholders will in fact sell any or all of such shares of Common Stock.

The number of shares outstanding and the percentages of beneficial ownership are based on 111,647,349 shares of our Common Stock outstanding as of June 13, 2019.

For the purposes of the following table, the number of shares of our Common Stock beneficially owned has been determined in accordance with Rule 13d-3 under the Exchange Act, and such information is not necessarily indicative of beneficial ownership for any other purpose. Under Rule 13d-3, beneficial ownership includes any shares as to which the selling stockholders have sole or shared voting power or investment power and also any shares which that selling stockholders have the right to acquire within 60 days of the date of this prospectus through the exercise of any stock option.

Name of Selling Stockholders	Number of Shares Beneficially Owned Prior to the Offering		Number of Shares Offered	Number of Shares Beneficially Owned After the Offering(1)	
	Number	Percentage		Number	Percentage
Devicescape Software, Inc.	400,000	*	400,000	0	0
Ali Davachi	150,000	*	150,000	0	0
Roth Capital Partners LLC	300,000	*	300,000	0	0

* Represents less than 1%.

(1) Assumes that all shares registered hereunder will be sold by the selling stockholders and that the selling stockholders do not acquire any additional shares.

PLAN OF DISTRIBUTION

The Common Stock offered by this prospectus is being offered by the selling stockholders. The Common Stock may be sold or distributed from time to time by the selling stockholders directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The sale of the Common Stock offered by this prospectus may be effected in one or more of the following methods:

- ordinary brokers' transactions;
- transactions involving cross or block trades;
- through brokers, dealers, or underwriters who may act solely as agents;
- in other ways not involving market makers or established business markets, including direct sales to purchasers or sales effected through agents;
- in privately negotiated transactions; or
- any combination of the foregoing.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus.

Brokers, dealers, underwriters, or agents participating in the distribution of the shares as agents may receive compensation in the form of commissions, discounts, or concessions from the selling stockholders and/or purchasers of the common stock for whom the broker-dealers may act as agent.

The selling stockholders are "underwriters" within the meaning of the Securities Act.

Neither we nor the selling stockholders can presently estimate the amount of compensation that any agent will receive. We know of no existing arrangements between the selling stockholders, any other stockholders, broker, dealer, underwriter, or agent relating to the sale or distribution of the shares offered by this prospectus. At the time a particular offer of shares is made, a prospectus supplement, if required, will be distributed that will set forth the names of any agents, underwriters, or dealers and any compensation from the selling stockholders, and any other required information.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons, we have been advised that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore, unenforceable.

We may suspend the sale of shares by the selling stockholders pursuant to this prospectus for certain periods of time for certain reasons, including if the prospectus is required to be supplemented or amended to include additional material information.

EXPERTS

The consolidated financial statements as of December 31, 2018 and 2017 and for each of the years in the two-year period ended December 31, 2018 and the effectiveness of internal control over financial reporting as of December 31, 2018 incorporated in this prospectus by reference from the Pareteum Corporation Annual Report on Form 10-K for the year ended December 31, 2018 have been audited by Squar Milner LLP, an independent registered public accounting firm, as stated in their reports thereon (which report expresses an unqualified opinion for the audit of our consolidated financial statements and a qualified opinion on the effectiveness of our internal controls over financial reporting), incorporated herein by reference, and have been incorporated in this Prospectus and Registration Statement in reliance upon such reports and upon the authority of such firm as experts in accounting and auditing.

The report of Squar Milner LLP dated March 18, 2019, on the effectiveness of internal control over financial reporting as of December 31, 2018, expressed an opinion that Pareteum Corporation had not maintained effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

The consolidated financial statements of iPass as of December 31, 2017 and for the year then ended incorporated by reference in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants (the report on the consolidated financial statements contains explanatory paragraphs regarding the company's ability to continue as a going concern), upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of iPass as of December 31, 2018 and for the year then ended incorporated by reference in this Prospectus have been so incorporated in reliance on the report of BDO USA, LLP, independent auditor (the report on the consolidated financial statements contains explanatory paragraphs regarding the company's ability to continue as a going concern and change in accounting principle related to revenue recognition), given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The validity of the securities being offered by this prospectus will be passed upon by Sichenzia Ross Ference LLP, New York, New York.

PART II

Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the expenses (other than underwriting discounts and commissions) to be incurred by us in connection with the registration, issuance and distribution of the securities described in this registration statement being registered hereby.

SEC registration fee	\$ 312
Legal fees and expenses	\$ 10,000
Accounting fees and expenses	\$ 10,000
Transfer agent and miscellaneous expenses	\$ 2,000
Total	<u>\$ 22,312</u>

Item 15. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”) empowers a Delaware corporation to indemnify 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, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. A corporation may, in advance of the final disposition of any civil, criminal, administrative or investigative action, suit or proceeding, pay the expenses (including attorneys’ fees) incurred by any officer, director, employee or agent in defending such action, provided that the director or officer undertakes to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. A corporation may indemnify such person against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation to procure a judgment in its favor under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys’ fees) that he or she actually and reasonably incurred in connection therewith. The indemnification provided is not deemed to be exclusive of any other rights to which an officer or director may be entitled under any corporation’s bylaws, agreement, vote or otherwise.

In accordance with Section 145 of the DGCL, Article XI, Section 23 of Pareteum’s bylaws, Pareteum shall indemnify its directors, officers, employees or other agents to the fullest extent not prohibited by the DGCL or any other applicable law. Pareteum may enter into individual contracts with its directors and, to the fullest extent permitted by law, provide for additional contractual indemnification rights; and, provided, further, that Pareteum shall not be required to indemnify any director in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the board of Pareteum, (iii) such indemnification is provided by Pareteum, in its sole discretion, pursuant to the powers vested in Pareteum under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d) of the bylaws. The board of Pareteum shall have the power to delegate the determination of whether indemnification shall be given to any such person, to such officers or other persons as the board shall determine. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, Pareteum must indemnify him or her against the expenses (including attorneys’ fees) that he or she actually and reasonably incurred in connection therewith. The rights conferred by the bylaws are not exclusive of any other right which such person may have or thereafter acquire under any applicable statute, provision of the bylaws, agreements, vote of the shareholders or directors or otherwise. The foregoing is a summary of Article XI of Pareteum’s bylaws and is qualified in its entirety by reference to Pareteum’s bylaws which are attached as Exhibit 3.3 hereto.

Pareteum has entered into indemnification agreements with its executive officers and directors which requires Pareteum, among other things, to (i) indemnify such indemnitees to the fullest extent permitted by law for certain expenses incurred in a proceeding arising out of the indemnitee's service as a director or officer of Pareteum or of another company or enterprise at the request of Pareteum and (ii) advance such expenses to the indemnitee.

Pareteum also maintains directors' and officers' liability insurance. Insofar as the indemnification for liabilities arising under the Securities Act, may be permitted to Pareteum's directors, officers or controlling persons pursuant to the foregoing provisions, Pareteum has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 16. Exhibits

A list of exhibits filed herewith is contained in the exhibit index that immediately precedes such exhibits and is incorporated herein by reference.

Item 17. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales 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;

(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 SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 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;

provided, however, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, 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.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. *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 effective date, 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 effective date; or

(5) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement 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.

(6) Insofar as indemnification for liabilities arising under the Securities Act 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 SEC 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.

EXHIBIT INDEX

Number	Description
<u>2.1</u>	<u>Agreement and Plan of Merger between Pareteum Communication Corporation a Delaware Corporation and Pareteum Communications, Inc., a California Corporation (incorporated by reference to Appendix A to Pareteum Corporation's Definitive Proxy Statement filed dated July 26, 2011).</u>
<u>2.2</u>	<u>Rule 2.7 Announcement dated June 7, 2018 (incorporated by reference to Exhibit 2.1 to Pareteum Corporation's current report on Form 8-K dated June 7, 2018).</u>
<u>2.3</u>	<u>Co-operation Agreement, dated June 7, 2018 (incorporated by reference to Exhibit 2.2 to Pareteum Corporation's current report on Form 8-K dated June 7, 2018).</u>
<u>2.4</u>	<u>Sale and Purchase Agreement, dated March 17, 2010, by and among Pareteum Corporation and the stockholders of ValidSoft Limited other than Enterprise Ireland (incorporated by reference to Exhibit 2.1 to Pareteum Corporation's current report on Form 8-K dated March 23, 2010).</u>
<u>2.5</u>	<u>Agreement and Plan of Merger by and among iPass Inc., TBR, Inc. and Pareteum Corporation dated November 12, 2018 (incorporated by reference to Pareteum Corporation's current report on Form 8-k dated November 13, 2018).</u>
<u>3.1</u>	<u>Certificate of Merger (incorporated by reference to Exhibit 3.2 to Pareteum Corporation's current report on Form 8-K dated October 4, 2011).</u>
<u>3.2</u>	<u>Certificate of Incorporation of Pareteum Communication Corporation, a Delaware Corporation (incorporated by reference to Exhibit 3.2 to Pareteum Corporation's annual report on Form 10-K for the fiscal year ended December 31, 2013).</u>
<u>3.3</u>	<u>By-Laws (incorporated by reference to Appendix C of Pareteum Corporation's Definitive Proxy Statement on Schedule 14A dated July 26, 2011).</u>
<u>3.4</u>	<u>Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated August 29, 2016).</u>
<u>3.5</u>	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock as corrected (incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated September 9, 2016).</u>
<u>3.6</u>	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A-1 Preferred Stock (incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated November 3, 2016).</u>
<u>3.7</u>	<u>Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Pareteum Corporation's current report on Form 8-K dated November 3, 2016).</u>
<u>3.8</u>	<u>Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated February 27, 2017).</u>
<u>3.9</u>	<u>Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated November 8, 2017).</u>
<u>4.1</u>	<u>Form of Warrant, dated November 17, 2014, issued to Corbin Mezzanine Fund I, L.P. (incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on November 21, 2014).</u>
<u>4.2</u>	<u>Form of Conversion Letter Agreement, dated November 17, 2014, issued to Saffelberg Investments NV (incorporated by reference to Exhibit 4.2 to Pareteum Corporation's current report on Form 8-K filed on November 21, 2014).</u>
<u>4.3</u>	<u>Form of Warrant, dated November 17, 2014, issued to Saffelberg Investments NV (incorporated by reference to Exhibit 4.3 to Pareteum Corporation's current report on Form 8-K filed on November 21, 2014).</u>

- [4.4](#) [Form of Warrant, dated July 9, 2015, issued to Corbin Mezzanine Fund I, L.P. \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on July 14, 2014\).](#)
- [4.5](#) [Form of Warrant, dated July 9, 2015, issued to Corbin Mezzanine Fund I, L.P. \(incorporated by reference to Exhibit 4.2 to Pareteum Corporation's current report on Form 8-K filed on July 14, 2014\).](#)
- [4.6](#) [Form of Warrant issued in the 9% Unsecured Subordinated Convertible Promissory Note Financing \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on December 24, 2015\).](#)
- [4.7](#) [Corbin Warrant, dated December 27, 2016 issued to Corbin Mezzanine Fund I, L.P. to purchase 27,051,627 shares of Common Stock \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on December 29, 2016\).](#)
- [4.8](#) [ACM Warrant, dated December 27, 2016 issued to ACM Carry-I LLC to purchase 4,773,817 shares of Common Stock \(incorporated by reference to Exhibit 4.2 to Pareteum Corporation's current report on Form 8-K filed on December 29, 2016\).](#)

- [4.9](#) [Amendment No. 1 to Corbin Warrant, dated March 31, 2017 \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on April 6, 2017\).](#)
- [4.10](#) [Amendment No. 1 to ACM Warrant, dated March 31, 2017 \(incorporated by reference to Exhibit 4.2 to Pareteum Corporation's current report on Form 8-K filed on April 6, 2017\).](#)
- [4.11](#) [Form of New Warrant \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on July 17, 2017\).](#)
- [4.12](#) [Form of Warrant \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on December 1, 2017\).](#)
- [4.13](#) [Form of Warrant \(incorporated by reference to Exhibit 4.1 to Pareteum Corporation's current report on Form 8-K filed on February 13, 2019\).](#)
- [5.1](#) [Opinion of Sichenzia Ross Ference*](#)
- [10.1](#) [Contract between Vodafone Enabler Espana, S.L. and Pareteum Europe Holding, B.V., dated November 1, 2013 \(incorporated by reference to Exhibit 10.11 to Pareteum Corporation's annual report on Form 10-K for the fiscal year ended December 31, 2013\).](#)
- [10.6](#) [Release and Settlement Agreement, dated as of June 12, 2015, by and between Pareteum de Mexico, S.A.P.I. de C.V., Pareteum Europe Holding BV, and Pareteum Corporation, and Iusacell, S.A., de C.V. \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K filed on June 16, 2015\).](#)
- [10.7](#) [Severance Agreement, dated as of November 16, 2015, between Pareteum Corporation and Steven van der Velden \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K filed on November 17, 2015\).](#)
- [10.8](#) [Form of Subscription Agreement issued in the 9% Unsecured Subordinated Convertible Promissory Note Financing \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K filed on December 24, 2015\).](#)
- [10.9](#) [Form of 9% Unsecured Subordinated Convertible Promissory Note issued in the 9% Unsecured Subordinated Convertible Promissory Note Financing \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K filed on December 24, 2015\).](#)
- [10.10](#) [Amended and Restated Pareteum Corporation 2008 Long-Term Incentive Compensation Plan \(incorporated by reference to Annex A to Pareteum Corporation's definitive proxy statement on Schedule 14 A filed on November 21, 2013\).](#)
- [10.12](#) [Subscription Agreement \(incorporated by reference to Exhibit 3.1 to Pareteum Corporation's current report on Form 8-K dated September 9, 2016\).](#)
- [10.13](#) [Form of Share Purchase Agreement dated September 30, 2016 \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated October 6, 2016\).](#)
- [10.14](#) [Promissory Note dated September 30, 2016 \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated October 6, 2016\).](#)
- [10.15](#) [License Agreement dated September 30, 2016 \(incorporated by reference to Exhibit 10.3 to Pareteum Corporation's current report on Form 8-K dated October 6, 2016\).](#)
- [10.16](#) [Subscription Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated November 3, 2016\).](#)
- [10.17](#) [Letter Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated December 21, 2016\).](#)

- [10.21 Agreement, dated March 30, 2017 \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated March 31, 2017\).](#)
- [10.22 Amendment, dated March 31, 2017 \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated April 6, 2017\).](#)
- [10.23 Form of Warrant Exercise Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated July 17, 2017\).](#)
- [10.24 Pareteum Corporation 2017 Long-Term Incentive Compensation Plan \(incorporated by reference to Appendix A to Pareteum Corporation's definitive proxy statement on Schedule 14 A filed on July 27, 2017\).](#)
- [10.25 Placement Agency Agreement, dated October 5, 2017, between Pareteum Corporation and Dawson James Securities, Inc. \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated October 5, 2017\).](#)
- [10.26 Form of Share Exchange Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated October 16, 2017\).](#)
- [10.27 Form of Strategic Alliance Agreement \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated October 16, 2017\).](#)
- [10.28 Form of Purchase Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated December 1, 2017\).](#)

- [10.29](#) [Form of Placement Agreement \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated December 1, 2017\).](#)
- [10.30](#) [Form of Purchase Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated May 9, 2018\).](#)
- [10.31](#) [Form of Placement Agreement \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated May 9, 2018\).](#)
- [10.32](#) [Management Services Agreement \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated June 7, 2018\).](#)
- [10.33](#) [Amendment dated June 7, 2018 to Management Services Agreement \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated June 7, 2018\).](#)
- [10.34](#) [Consent and Amendment No. 1 to Credit Agreement by and among iPass Inc., iPass IP LLC, Fortress Credit Corp., FIP UST LP and DBD Credit Funding LLC \(incorporated by reference to Exhibit 10.1 to Pareteum Corporation's current report on Form 8-K dated February 13, 2019\).](#)
- [10.35](#) [Joinder to Security Agreement by Pareteum Corporation \(incorporated by reference to Exhibit 10.2 to Pareteum Corporation's current report on Form 8-K dated February 13, 2019\).](#)
- [10.36](#) [Joinder to Guarantee by Pareteum Corporation \(incorporated by reference to Exhibit 10.3 to Pareteum Corporation's current report on Form 8-K dated February 13, 2019\).](#)
- [10.37](#) [Joinder to Pledge Agreement by Pareteum Corporation \(incorporated by reference to Exhibit 10.4 to Pareteum Corporation's current report on Form 8-K dated February 13, 2019\).](#)
- [10.38***](#) [Credit Agreement between Pareteum Corporation and certain subsidiaries of Pareteum Corporation, Post Road Administrative Finance, LLC and Post Road Special Opportunity Fund I LLP \(incorporated by reference to Exhibit 10.38 to Pareteum Corporation's Annual Report on Form 10-K filed on March 18, 2019\)](#)
- [10.39***](#) [Security Agreement between Pareteum Corporation and certain subsidiaries of Pareteum Corporation, Post Road Administrative Finance, LLC and Post Road Special Opportunity Fund I LLP \(incorporated by reference to Exhibit 10.39 to Pareteum Corporation's Annual Report on Form 10-K filed on March 18, 2019\)](#)
- [10.40***](#) [Patent Security Agreement between Pareteum Corporation and certain subsidiaries of Pareteum Corporation, Post Road Administrative Finance, LLC and Post Road Special Opportunity Fund I LLP \(incorporated by reference to Exhibit 10.40 to Pareteum Corporation's Annual Report on Form 10-K filed on March 18, 2019\)](#)
- [10.41***](#) [Trademark Security Agreement between Pareteum Corporation and certain subsidiaries of Pareteum Corporation, Post Road Administrative Finance, LLC and Post Road Special Opportunity Fund I LLP \(incorporated by reference to Exhibit 10.41 to Pareteum Corporation's Annual Report on Form 10-K filed on March 18, 2019\)](#)
- [21.1](#) [Subsidiaries \(incorporated by reference to Exhibit 21.1 to Pareteum Corporation's Annual Report on Form 10-K filed on March 18, 2019\)](#)
- [23.1*](#) [Consent of Sichenzia Ross Ference LLP \(Included in the opinion filed as Exhibit 5.1\)](#)
- [23.2*](#) [Consent of Squar Milner LLP](#)

[23.4*](#) [Consent of BDO USA LLP](#)

- * Filed Herewith
- ** Employee Compensation Plan
- *** Confidential Treatment has been granted for certain portions of this Exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York on June 18, 2019.

Pareteum Corporation

By: /s/ Robert H. Turner

Name: Robert H. Turner

Title: Chief Executive Officer and Executive Chairman
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officers and directors of Pareteum Corporation, a Delaware corporation (the "Corporation"), hereby constitute and appoint each of Robert H. Turner and Edward O'Donnell the true and lawful agents and attorneys-in-fact of the undersigned with full power and authority in said agents and attorneys-in-fact, and in any one or more of them, to sign for the undersigned and in their respective names as an officer/director of the Corporation, any and all amendments (including post-effective amendments) to this registration statement on Form S-3 (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act) and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, and with full power of substitution, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on June 18, 2019.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

<u>/s/ Robert H. Turner</u> Robert H. Turner	Chief Executive Officer and Executive Chairman (Principal Executive Officer)	June 18, 2019
<u>/s/ Edward O'Donnell</u> Edward O'Donnell	Chief Financial Officer (Principal Financial and Accounting Officer)	June 18, 2019
<u>/s/ Yves van Sante</u> Yves van Sante	Director	June 18, 2019
<u>/s/ Robert Lippert</u> Robert Lippert	Director	June 18, 2019
<u>/s/ Luis Jimenez-Tuñon</u> Luis Jimenez-Tuñon	Director	June 18, 2019

EXHIBIT T-22

[December 9, 2021 letter from XL Specialty's counsel to Pareteum]

Cara Tseng Duffield
202.719.7407
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December 9, 2021

VIA EMAIL

Alexander Korff, Esq.
General Counsel
Pareteum Corporation
1185 Avenue of Americas, 37th Floor
New York, NY 10036
Alexander.korff@pareteum.com

Re: Insured: Pareteum Corporation ("Pareteum")
Policy: ELU162673-19 (the "XL Excess Policy")
Policy Period: July 12, 2019 to July 12, 2020
Matter: Order Instituting Cease and Desist Proceedings, *In the Matter of Pareteum Corporation*, SEC Administrative Proceeding No. 3-20522 (Sep. 2, 2021) (the "SEC Consent Order")

Dear Mr. Korff:

We represent XL Specialty Insurance Company ("XL Specialty") in connection with the above-referenced matter. Please direct all future correspondence on these matters to our attention with a copy to Christine Coyne at AXA XL. On behalf of XL Specialty, we write to further acknowledge receipt of the SEC Consent Order and provide XL Specialty's coverage position.

The SEC Investigation and Consent Order

On September 2, 2021, the SEC entered an order instituting cease and desist proceedings against Pareteum. The order requires that Pareteum cease and desist from conduct that violates Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act, and imposes a civil money penalty in the amount of \$500,000.

According to the order, Pareteum, a publicly-traded telecommunications and cloud software company, misstated revenue on public filings by tens of millions of dollars between 2018 and mid-2019. Order ¶ 1. The order states that Pareteum used improper accounting practices in recording revenue from non-binding purchase orders for mobile bundled services that had yet to be fulfilled. *Id.* ¶ 16. The order further states that Pareteum misled an auditor regarding the accounting practices for mobile bundled services, and improperly recognized millions of dollars from an unsigned purchase order for International Mobile Subscriber Identity numbers. *Id.* ¶¶ 19, 20. The Commission finds that Pareteum's conduct violated section 17(a) of the Securities Act, and Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act. Pareteum and the Commission consented to a settlement in which Pareteum neither admitted nor denied the findings in the Order and agreed to certain remedial acts and a civil monetary penalty of \$500,000.

The Policy

XL Specialty issued Excess Policy No. ELU162673-19 to Pareteum for the Policy Period of July 12, 2019 to July 12, 2020. XL Excess Policy, Declarations, Items 1-2. The XL Excess Policy contains a \$5 million aggregate limit of liability that is excess of \$5 million in underlying insurance (subject to a \$750,000 retention). *Id.*, Declarations, Items 3-4. Policy No. ML 7602071-3 issued by Argonaut Insurance Company ("Argonaut") is defined as the Primary Policy. *Id.*, Declarations, Item 4.

Subject to its terms, conditions and exclusions, the insuring agreement of the XL Excess Policy provides:

The insurer will provide coverage in excess of the Underlying Insurance stated in ITEM 4 of the Declarations. Coverage hereunder will apply in conformance with the terms, conditions, endorsements and warranties of both the Primary Policy stated in ITEM 4 (A) of the Declarations and of any other Underlying Excess Policy stated in ITEM 4 (B) of the Declarations. The coverage hereunder will attach only after all of the Underlying Insurance has been exhausted by the actual payment of covered amounts under the Underlying Insurance by the applicable insurers thereunder or by any other source. To the extent that any terms, conditions, and endorsements of the Policy may be inconsistent with any terms, conditions, and endorsements of the Underlying Insurance, the terms, conditions, and endorsements of this Policy shall govern.

XL Excess Policy, Section I.

XL Specialty has received a copy of the letters dated December 13, 2019, March 10, 2020, and February 11, 2021 from Argonaut advising as to Argo's coverage position and reservation of rights concerning the SEC Investigation under the Primary Policy. XL Specialty adopts and incorporates by reference Argonaut's coverage position and reservation of rights for the SEC Investigation as articulated in the December 13, 2019 letter.

In particular, XL Specialty adopts Argonaut's position as to the definition of "Loss" under the Primary Policy, which specifically excludes coverage for "criminal or civil fines or penalties." Primary Policy, Section II.R, as amended by the New York Amendatory Endorsement. XL Specialty understands that Argonaut is advancing Defense Costs for the SEC Investigation and adopts Argonaut's position as to Defense Costs. However, there is no coverage available for the civil money penalty of \$500,000.

Finally, The XL Excess Policy states:

The insurer shall have the same rights, privileges and protections afforded to the insurer(s) of the Underlying Insurance and may, at its sole discretion, elect to participate in the investigation, settlement and/or defense of any claim against the insureds even if the Underlying Insurance has not been exhausted. The insureds will provide such information and cooperation as is reasonably requested. The insureds shall not do anything that prejudices the Insurer's position or potential rights of recovery, including, but not limited to, terminating any Underlying Insurance.

XL Excess Policy, Section III. XL Specialty reserves all rights under the Defense and Settlement provisions of both the Primary Policy and the XL Excess Policy. See, Primary Policy, Section V.C; XL Excess Policy; Section III.

Please continue to keep XL Specialty apprised of material developments in this matter, including forwarding material filings on a contemporaneous basis.

Please contact us if you have any questions or wish to discuss this matter. This letter, as well as all past and future communications, is sent subject to a complete reservation of XL Specialty's rights under the XL Excess Policy, the Primary Policy and at law or in equity.

Sincerely,

/s/ Cara Tseng Duffield

cc: Christine Coyne/AXA XL

EXHIBIT T-23

[Letter dated March 10, 2020 from Argonaut's counsel to Pareteum]



John F. McCarrick

7 Times Square, Suite 2900 | New York, NY 10036-6524
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mccarrickj@whiteandwilliams.com | whiteandwilliams.com

March 10, 2020

VIA EMAIL

Alexander Korff, Esq.
General Counsel
Pareteum Corporation
1185 Avenue of Americas, 37th Floor
New York, NY 10036
alexander.korff@pareteum.com

Re:	Insurer: Argonaut Insurance Company
	Insured: Pareteum Corporation ("Pareteum")
	Policy No.: ML 7602071-3 (the "Policy")
	Policy Period: July 12, 2019 to July 12, 2020
	Limits: \$5 million excess of \$750,000 Retention
	Matters: (1) <i>Wei Zhang, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.</i> , Case No. 1:19-cv-06811, U.S. District Court, E.D.N.Y. (the " <i>Zhang Action</i> "); (2) <i>Shiv Patel, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.</i> , Case No. 1:20-cv-00359, U.S. District Court, S.D.N.Y. (the " <i>Patel Action</i> "); (3) <i>Michael Shaw, derivatively on behalf of Pareteum Corp., v. Luis Jimenez-Tunon, et al.</i> , Case No. 1:20-cv-00740, U.S. District Court, S.D.N.Y. (the " <i>Shaw Action</i> "); (4) <i>Brad Linton, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.</i> , Case No. 1:20-cv-00179, U.S. District Court, District of D.E. (the " <i>Linton Action</i> "); (5) <i>Edward Hayes, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.</i> , Case No. 1:20-cv-00212, U.S. District Court, District of D.E. (the " <i>Hayes Action</i> "); (6) <i>Juanita Silvera, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.</i> , Case No. 1:20-cv-00230, U.S. District Court, District of D.E. (the " <i>Silvera Action</i> ") (collectively, the " <i>Pareteum Shareholder Derivative Litigation</i> "); (7) February 21, 2020 SEC Subpoena issued to Nick Barter

Delaware | Massachusetts | New Jersey | New York | Pennsylvania | Rhode Island

(the “*Barter* Subpoena”); (8) February 21, 2020 SEC Subpoena issued to Chris Hills (the “*Hills* Subpoena”); (9) February 21, 2020 SEC Subpoena issued to Margaret Guz (the “*Guz* Subpoena”); (10) February 21, 2020 SEC Subpoena issued to Conor Carroll (the “*Carroll* Subpoena”); and (11) February 21, 2020 SEC Subpoena issued to Sergey Kostenko (the “*Kostenko* Subpoena”) (collectively, the “February 2020 SEC Subpoenas”)

Dear Mr. Korff:

As you know, our law firm represents Argonaut Insurance Company (“Argonaut”) as coverage counsel in connection with the above-referenced matters. We write in follow-up to Argonaut’s initial reservation of rights letter, dated December 13, 2019, concerning the Pareteum Securities Litigation¹ and the Pareteum SEC Investigation². The purpose of this letter is to provide Argonaut’s preliminary coverage position with respect to the above-referenced matters (submitted to Argonaut since December 13, 2019), and to reserve Argonaut’s rights under the Policy, at law and in equity.

As discussed below, the Pareteum Shareholder Derivative Litigation, the Pareteum Securities Litigation, the Pareteum SEC Investigation, and the February 2020 SEC Subpoenas collectively constitute a single **Claim**³ under the Policy to which a single \$750,000 retention applies. Argonaut reserves its rights with respect to certain terms, conditions, and exclusions in the Policy that may limit or bar coverage for all or portions of the Pareteum Shareholder Derivative Litigation and/or the Pareteum SEC Investigation. As before, we request that the **Insureds** keep Argonaut closely apprised of all developments in these matters on an ongoing basis. Argonaut appreciates your anticipated cooperation in this regard.

¹ The Pareteum Securities Litigation refers to the *DeMarco*, *O’Brien*, *Singh*, and *Sabby* actions for which Argonaut issued coverage correspondence on December 13, 2019. Argonaut incorporates by reference herein the coverage positions and reservations of rights stated in Argonaut’s December 13, 2019 letter. Argonaut continues to reserve all rights accordingly. *O’Brien*, *Singh*, and *Sabby* actions are now consolidated with other securities class actions pursuant to the January 10, 2020 Order and is now collectively captioned *In Re Pareteum Securities Litigation* pending in the U.S. District Court, Southern District of New York.

² The Pareteum SEC Investigation refers to the August 9, 2019 SEC Order, the August 13, 2019 SEC Request for Production of Documents, the October 29, 2019 SEC Subpoenas, and the December 3, 2019 SEC Subpoenas, which Argonaut issued coverage correspondence on December 13, 2019. Argonaut incorporates by reference the coverage positions and reservations of rights stated in Argonaut’s December 13, 2019 letter. Argonaut continues to reserve all rights accordingly.

³ Terms in **bold** are defined in the Policy.

I. The Policy

Argonaut issued the Policy to Pareteum, effective during the July 12, 2019 to July 12, 2020 Policy Period, and which provides a \$5 million Limit of Liability subject to a \$750,000 Retention for all **Claims** under Insuring Agreements B. and C., as follows:

B. COMPANY REIMBURSEMENT COVERAGE

The **Insurer** shall pay **Loss** of the **Company** for **Loss** arising from a **Claim** (including **Employment Practices Claims** and **Environmental Claims**) first made during the **Policy Period** (or **Extended Reporting Period**, if exercised) against any **Insured Person(s)** for a **Wrongful Act**, if the **Company** is permitted or required to indemnify the **Insured Person(s)** for such **Loss**.

C. COMPANY SECURITIES LIABILITY COVERAGE

The **Insurer** shall pay **Loss** of the **Company** arising from a **Securities Claim** (including an **Environmental Claim**) first made during the **Policy Period** (or **Extended Reporting Period**, if exercised) against the **Company** for a **Wrongful Act**.

Subject to its terms, conditions, and exclusions, the Policy applies only to any **Claim** first made and/or **Incidents** reported during the **Policy Period**, and reported in accordance with the notification provisions of the Policy.

A **Claim** under the Policy, as modified by Endorsement 7, is defined as:

1. a written demand against any **Insured** for monetary damages, non-monetary or injunctive relief, including a written demand that the **Insured** toll or waive a statute of limitations;
2. a civil proceeding against any **Insured** commenced by the service of a complaint or similar pleading;
3. a criminal proceeding against any **Insured** commenced by return of an indictment, information or similar document;
4. an administrative or regulatory proceeding against any **Insured** commenced by the filing of a notice of charges or similar document;
5. a formal or informal civil, criminal, administrative or regulatory investigation of any **Insured Person** commenced by the service

upon or other receipt by the **Insured Person** of a Wells notice, target letter or other written notice from the investigating authority identifying by name the **Insured Person** as an individual against whom a proceeding may be commenced;

6. an official request for the **Extradition** of any **Insured Person** or the execution of a warrant for the arrest of any **Insured Person** where such execution is an element of **Extradition**; or

7. an arbitration, mediation or any other alternative dispute resolution proceeding against any **Insured**;

8. solely with respect to **INSURING AGREEMENT A.**, any request, demand or subpoena by a regulatory, administrative, governmental or similar authority to interview or depose an **Insured Person**, or for the production of documents by an **Insured Person**, in his or her capacity as such; or

9. solely with respect to **INSURING AGREEMENT D.**, a **Shareholder Derivative Demand**.

A “**Securities Claim**” means any **Claim** “other than an administrative or regulatory proceeding against, or investigation of the **Company**” which is, in relevant part, “brought derivatively on the behalf of the **Company** by a security holder of the **Company**.” **Wrongful Act** means, in relevant part, “any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty.”

II. The Pareteum Shareholder Derivative Litigation

A. The Zhang Action

On December 4, 2019, the plaintiff in the *Zhang* Action filed a verified shareholder derivative complaint captioned *Wei Zhang, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.* in the U.S. District Court, Eastern District of New York.

In the complaint, the plaintiff alleges that from December 14, 2017 through the present (the “Relevant Period”), Pareteum built up a significant backlog of revenue which consisted of revenue purportedly owed to Pareteum through its contracts to provide software and other services to its customers, many of which were either greatly exaggerated or even nonexistent. Instead of disclosing these facts to the public, the individual defendants, the complaint alleges, made or caused Pareteum to issue materially misleading and/or false statements regarding Pareteum’s business, finances, and growth. Particularly, they fail to disclose, among others, that: (i) Pareteum was unlikely to collect backlogged revenue from certain customer transactions; (ii) Pareteum

improperly recognized revenue in its financial statements from these customer transactions in violation of GAAP; and (iii) as a result, Pareteum's revenue backlog and accounts receivables were artificially inflated.

The complaint contains causes of action for breaches of fiduciary duties against the defendant directors and/or officers of Pareteum, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act.

B. The Patel Action

On January 15, 2020, the plaintiff in the *Patel* Action filed a verified shareholder derivative complaint captioned *Shiv Patel, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.*, in the U.S. District Court, Southern District of New York.

The *Patel* Action complaint contains allegations of facts and circumstances substantially similar to those alleged in the *Zhang* Action complaint. The complaint contains causes of action for breaches of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act.

C. The Shaw Action

On January 28, 2020, the plaintiff in the *Shaw* Action filed a verified shareholder derivative complaint captioned *Michael Shaw, derivatively on behalf of Pareteum Corp., v. Luis Jimenez-Tunon, et al.*, in the U.S. District Court, Southern District of New York.

The *Shaw* Action complaint also contains allegations of facts and circumstances substantially similar to those alleged in the *Zhang* and *Patel* Action complaints. The *Shaw* Action complaint contains causes of action for breaches of their fiduciary duties, unjust enrichment, abuse of control, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act.

D. The Linton Action

On February 5, 2020, the plaintiff in the *Linton* Action filed a shareholder derivative complaint captioned *Brad Linton, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.*, in the U.S. District Court, District of Delaware.

The *Linton* Action complaint contains allegations of facts and circumstances substantially similar to those alleged in the *Zhang* Action complaint. The complaint contains causes of action for breaches of fiduciary duties, unjust enrichment, gross mismanagement, and violations of Section 14(a) of the Securities Exchange Act.

E. The Hayes Action

On February 13, 2020, the plaintiff in the *Hayes* Action filed a shareholder derivative complaint captioned *Edward Hayes, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.*, in the U.S. District Court, District of Delaware.

The *Hayes* Action complaint contains allegations of facts and circumstances substantially similar to those alleged in the *Zhang* Action complaint. The complaint contains causes of action for breaches of fiduciary duties, unjust enrichment, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act.

F. The Silvera Action

On February 18, 2020, the plaintiff in the *Silvera* Action filed a shareholder derivative complaint captioned *Juanita Silvera, derivatively on behalf of Pareteum Corp., v. Robert Turner, et al.*, in the U.S. District Court, District of Delaware.

The *Silvera* Action complaint contains allegations of facts and circumstances substantially similar to those alleged in the *Zhang* Action complaint. The complaint contains causes of action for breaches of fiduciary duties, unjust enrichment, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act.

III. The February 2020 SEC Subpoenas

On February 26, 2020, Argonaut received copies of multiple subpoenas for testimony issued by the SEC on February 21, 2020, to the following individuals with the caption *In the Matter of Pareteum Corporation (P-2201)*: Nick Barter, Chris Hills, Margaret Guz, Conor Carroll, and Sergey Kostenko. Each of the February 2020 SEC Subpoenas states that the individual to whom the subpoena is directed must testify before officers of the SEC and that failure to comply may subject them to fine and/or imprisonment.

IV. Coverage Discussion

A. The Pareteum Shareholder Derivative Litigation, the Pareteum Securities Litigation, and the Pareteum SEC Investigation Constitute a Single Claim Under the Policy to which a Single Retention Applies.

The complaints filed in the Pareteum Shareholder Derivative Litigation and the Pareteum Securities Litigation, for which Argonaut issued its December 13, 2019 coverage letter, contain allegations of **Interrelated Wrongful Acts**. Specifically, in the Pareteum Securities Litigation complaints, the plaintiffs allege that during the class period between December 26, 2017 and October 21, 2019, the defendants allegedly made improper and misleading statements about the company's business, operations, and prospects, such as that (i) the company's backlog and the

accounts receivable were artificially inflated and/or overstated, (ii) as a result the company's reported revenue backlog was not in fact indicative of the Pareteum's growth potential, and (iii) the company yet improperly recognized revenue from certain customer transactions in its financial reporting.

Similarly, in all six complaints filed in the Pareteum Shareholder Derivative Litigation, the plaintiffs allege that the individual defendants made or caused the company to make false and misleading statements and/or failed to disclose that (i) the company was unlikely to collect backlogged revenue from certain customer transactions, (ii) the company improperly recognized revenue in its financial statements from these customer transactions in violation of GAAP, and (iii) as a result, the company's revenue backlog and accounts receivables were artificially inflated improperly indicating the Pareteum's business operations and growth potential.

Likewise, the February 2020 SEC Subpoenas appear to be related to the Pareteum SEC Investigation because they reference the same captioned investigation (*In the Matter of Pareteum Corporation P-2201*), as referenced in the Pareteum SEC Investigation. Accordingly, the Pareteum Shareholder Derivative Litigation, the Pareteum Securities Litigation, the Pareteum SEC Investigation, and the February 2020 SEC Subpoenas constitute a single **Claim** to which a single \$750,000 retention applies under the Policy. For this reason, Argonaut also continues to reserve all rights under the Policy with respect to the provisions specifically outlined in Argonaut's December 13, 2019 letter, including but not limited to: (i) Section III.J. and III.K. (the "Fraud and Illegal Profit Exclusions"); and (ii) Section II.R. (the definition of **Loss**).

V. Defense and Settlement

Section V.C. of the Policy, as amended by the New York Amendatory Endorsement, provides:

It is the duty of the **Insured(s)** and not the duty of the **Insurer** to provide for the defense of any **Claim** against the **Insured(s)**. The **Insured(s)** agree(s) not to offer to settle, or settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation, admit any liability, or stipulate to any judgment with respect to any **Claim** without the **Insurer's** prior written consent, such consent which shall not be unreasonably withheld. Any **Defense Costs** incurred or settlements made without the **Insurer's** prior written consent shall not be covered under this Policy.

The **Insurer** shall have the right and opportunity to make any investigation it deems necessary and to effectively associate with the **Insured(s)** in the investigation, defense and/or settlement, including but not limited to, the negotiation of a settlement of any **Claim** that is or reasonably could be covered in whole or in part by this Policy.

The **Insured(s)** shall give the **Insurer** full cooperation, assistance and such information as it may reasonably require and agree(s) that in the event of a **Claim**, the **Insured(s)** will do nothing that shall prejudice the **Insurer's** position or its potential or actual rights of recovery.

The **Insurer** shall advance, excess any applicable retention, **Defense Costs** and **Investigative Costs** no later than ninety (90) days after the receipt by the **Insurer** of such defense invoices. If any advance payments of **Loss**, including **Defense Costs** and **Investigative Costs**, are made by the **Insurer**, the **Insured(s)** agree(s) to repay the **Insurer**, severally according to their respective interests, all such payments in the event that it is determined that any such **Insured** is not entitled to payment of such **Loss** under the terms of this Policy.

The **Insureds** shall have the option to: 1. select the defense attorney or to consent to the **Insurer's** choice of defense attorney, which consent shall not be unreasonable withheld; 2. participate in, and assist in the direction of, the defense of any **Claim**; and 3. consent to a settlement, which consent shall not be unreasonably withheld.

As previously discussed, Argonaut consents to the retention of the McGuireWoods LLP as defense counsel for the **Insureds** in connection with the Pareteum Shareholder Derivative Litigation. Please provide Argonaut with updates regarding the Pareteum Shareholder Derivative Litigation on an ongoing basis.

With respect to the February 2020 SEC Subpoenas, please provide Argonaut with proposed defense counsel arrangements (including staffing and rate information) for the relevant individuals. Argonaut will await receipt of that information, and in the interim, Argonaut continues to reserve all rights in connection with Section V.C. of the Policy.

* * *

Argonaut reserves the right to amend, alter and/or supplement this letter based upon receipt of any additional information discovered or provided. Nothing in this letter is intended to, nor should be interpreted to, modify, abridge or otherwise restrict any of Argonaut's rights under the Policy. Argonaut continues to reserve all rights and defenses available under the Policy, at law and in equity.

Please feel free to contact us with any questions or concerns you may have regarding this letter or Argonaut's preliminary coverage position.

Very truly yours,

WHITE AND WILLIAMS LLP

A handwritten signature in dark ink, appearing to read "John F. McCarrick", written in a cursive style.

John F. McCarrick

cc: Daniel Glass, Argonaut Insurance Company
daniel.glass@argogroupus.com

EXHIBIT T-24

[Government Subpoena – Filed Under Seal]