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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Joint Administration Requested)

**DECLARATION OF LAURA W. THOMAS IN SUPPORT OF THE
DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS**

I, Laura W. Thomas, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Interim Chief Financial Officer of Pareteum Corporation, a Delaware corporation headquartered in New York, NY, ("Pareteum" and, together with wholly owned and majority-owned subsidiaries, the "Company"). The Company consists of approximately 47 direct and indirect subsidiaries of Pareteum, of which 42 are located outside of the United States.

2. I was appointed the Interim Chief Financial Officer of Pareteum on November 1, 2019, effective as of November 15, 2019. I am generally familiar with the day-to-day operations, financial affairs, business affairs, books and records of Pareteum and each of the entities set forth

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.; Artilium Group Ltd. (f/k/a Artilium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artilium N.V.). The Debtors' corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.



in footnote one hereof (each, a “Debtor”, and collectively, the “Debtors”). Prior to my appointment as the Interim Chief Financial Officer, I served as an independent member of the Board of Directors of Pareteum (the “Board”) and as a member of the Company’s Audit Committee (defined below) from July 27, 2017 until I resigned in November 2018 to become Pareteum’s vice president of corporate development. I served as vice president of corporate development until March 31, 2019.

3. I submit this declaration (this “Declaration”) to assist the Court and parties in interest in understanding the Debtors, their businesses, and the circumstances leading to these chapter 11 cases (the “Chapter 11 Cases”). I also submit this Declaration in support of the Debtors’ petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and the relief the Debtors are seeking in the motions filed contemporaneously therewith (collectively, the “First Day Motions”).

4. Before my employment at Pareteum, I served as Chief Financial Officer of Towerstream, a leading fixed wireless Internet provider in the United States. Prior to that, I served as Chairman of the Board of Directors of Impact Telecom, a leading provider of voice and messaging solutions for businesses and carriers and served on various other boards. I also worked for 14 years at XO Communications in varying capacities, including as Chief Financial Officer and Chief Executive Officer.

5. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. Except as otherwise indicated herein, all facts set forth in the Declaration are based upon my personal knowledge, my discussions with the other members of the Debtors' management team and advisors, conversations with the Board, my review of relevant documents, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and financial affairs. I am over the age of 18 and authorized to submit this Declaration on behalf of each of the Debtors. If called upon to testify, I would testify to the facts set forth herein.

Preliminary Statement

7. Pareteum is a publicly held, leading edge, global provider of mobile networking software solutions and services for communications service providers and enterprise retail customers. It has operations in North America, Latin America, Europe, the Middle East, Africa, and the Asia-Pacific region. Pareteum provides a one-stop solution for a full suite of mobile, fixed, and convergent telecommunication software services. Pareteum's unique platform connects people and devices around the world using a secure, ubiquitous, and highly scalable solution to deliver data, voice, video, SMS/text messaging, media, and content enablement to its customers. Every day, millions of people around the world utilize Pareteum's global cloud communications software platform to enhance their mobile experience and provide value to their employees and customers.

8. Pareteum's acute need to seek bankruptcy protection is not due to shortcomings in its products, services, or technology; the products and services that the Company provides to its customers remain strong and competitive. As discussed in more detail below, however, the Company has experienced negative cashflow from operations for many years while it has sought to grow to a profitable scale. Generally, the Company required external financing to make up for its negative operating cash flow.

9. Unfortunately, the Company's financial position was further impaired by more recent events occurring as a result of prior management's misstatements of revenue for fiscal year 2018 and the first half of fiscal year 2019. Specifically, as a result of the Company's October 21, 2019 announcement that it was required to restate its revenue for those periods, the Company (i) incurred substantial costs addressing the various legal, financial and regulatory actions leveled at the Company related to the announcement that it needed to restate its financials in both 2018 and 2019, (ii) had its stock suspended (and ultimately delisted) from trading on Nasdaq, (iii) incurred significant costs in seeking to regain its compliance with Nasdaq and U.S. Securities and Exchange Commission ("SEC") rules, (iv) suffered from a reduction in its ability to fund needed investment in its technology and growth, and (v) has faced increased costs on the capital it was able to raise because capital raises through public offerings were unavailable.

10. While the Company was still able to raise capital, it was considerably costlier because the Company was forced to do so through private preferred stock sales and the issuance of convertible debt, not through the sale of equity. Moreover, due to the issues outlined in the preceding paragraph and other issues discussed herein, the Company was required to use a significant portion of the capital it raised for legal and accounting costs incurred in the independent investigation regarding prior management's misreporting of revenue initiated by the independent members of the Board (the "Independent Directors").

11. These expenditures, coupled with the COVID-19 pandemic impact on customer churn and customer's delayed growth initiatives, had a snowball effect on the overall ability of the Company to continue as a going concern. Moreover, with increased expenses (from the investigation, auditing, and the increased cost of capital), the Company could not invest to hire new members of senior management. Further, the constant delays in the process necessary to

obtain relisting on Nasdaq, including the restatement process, not only forced the Company to request continued extensions to the SEC's and Nasdaq's deadlines, but also caused the Company to trip certain non-payment related covenants in its debt facility, further constraining the Company's access to liquidity. Unfortunately, due to, among other things, these financial constraints, the Company has had limited resources available to grow to the scale necessary to generate positive cash flow and address large vendor accounts payable balance.

12. Recognizing the issues facing the Company, in the years prior to filing these Chapter 11 Cases, the Company, at the direction of the Independent Directors, hired financial and legal restructuring advisors to aid the Company and the Board's audit committee (the "Audit Committee") in exploring all potential paths forward while simultaneously seeking to reestablish access to more favorable capital markets. The Company's Board and management have evaluated a wide range of strategic alternatives to address the Company's near and long-term liquidity and operational needs and/or to restructure its obligations through in- and out-of-court strategic alternatives and restructuring initiatives. The options considered have included, among others, an equity raise, refinancing the Company's existing credit facilities to obtain additional funds, asset sales of the Company's various business lines, a sale of the entire Company, a merger of the Company with a strategic partner, and a stand-alone reorganization through an in-court proceeding.

13. After numerous discussions with potential lenders and acquirers (of any and all assets and operating divisions of the Company), it became evident that none of these parties were willing to provide the critical funding necessary to sustain the Company's operations absent utilizing a bankruptcy process, nor would they acquire the Company or a material portion of its

assets without the protections afforded an acquirer pursuant to a sale conducted under section 363 of the Bankruptcy Code.

14. After thoroughly exploring all options available to the Company with its secured creditors, potential acquirors, and potential lenders and investors, and in light of the added challenges facing the Debtors including, without limitation, a dire lack of liquidity, continued litigation and investigation costs, and the Company's declining revenue from loss of customers and increasing levels of accounts payable, the Company's Board determined that commencement of the Chapter 11 Cases to implement a strategic asset sales strategy (the "Sale Strategy") under section 363 of the Bankruptcy Code and monetization of potential claims and causes of action related to the aforementioned accounting restatement is in the best interest of all stakeholders.

15. Beginning in April 2021, prior to the filing of the Chapter 11 Cases, the Company's Board and the Company's senior management, along with their investment banker FTI Capital Advisors LLC, initiated a comprehensive marketing process to sell their assets on a going-concern basis, or to consummate another strategic, value-maximizing transaction that would resolve the Debtors' operational and financial challenges. They worked tirelessly to obtain a stalking horse bidder that would aid in the Sale Strategy. As detailed in the declaration of Glenn Tobias, Chief Executive Officer at FTI Capital Advisors LLC, the Debtors have cast a net far and wide seeking to locate an investor or buyer of the Company.

16. The marketing process undertaken by the Company resulted in interest from secured creditors and various third parties, including Circles MVNE Pte. Ltd. ("Circles").

17. After completion of due diligence in connection with the Sale Strategy, Circles purchased all of the then-outstanding first lien debt of the Company from its secured lenders and made an additional \$6 million super-senior first-priority bridge loan to the Company so that it

could cover operating shortfalls and prepare for and commence the Chapter 11 Cases. Post-bankruptcy, Circles has also committed to make up to \$6.0 million available in debtor in possession financing available to the Company to fund post-petition operations and costs through a section 363 sale process with the goal of consummating a going concern transaction by July 12, 2022.

18. Circles has combined with Channel Ventures Group, LLC (“CVG”), the former minority holder of the Company’s first lien debt and the agent for, and lender under, the Company’s junior subordinated secured debt facility, to execute a stalking horse asset purchase agreement (the “Stalking Horse Bid”) to jointly acquire substantially all of the assets of the Company. Because of the time and effort expended by Circles in diligence and formulating the Stalking Horse Bid, the Company is able to fully commence the Sale Strategy through the bankruptcy auction and marketing process.

19. The Sale Strategy and Stalking Horse Bid are the foundations of these Chapter 11 Cases and are critical to seek the maximization of recoveries for all stakeholders. Through its various First Day Motions, the Company is requesting this Court to permit the Chapter 11 Cases to move quickly and to culminate in a fair, open, and competitive 363 sale auction utilizing the Stalking Horse Bid as the baseline for the auction. Given the Debtors’ strained liquidity position, the bidding procedures proposed by the Debtors in the Bidding Procedures and Sale Motion (defined below) provide an expeditious bidding and sale process, subject to Court approval. The key deadlines requested by the Debtors include:

<u>Milestone</u>	<u>Deadline</u>
Deadline for Debtors to file a Bidding Procedures and Sale Motion	One (1) calendar day following Petition Date
Deadline for Debtors to obtain an order approving the Bidding Procedures under the Bidding Procedures and Sale Motion	No later than fifteen (15) calendar days following the Petition Date

Deadline for the submission of Qualified Bids	No later than twenty-nine (29) calendar days following the Petition Date
Deadline to conduct and complete an auction, if any Qualified Bids are received	No later than thirty-one (31) calendar days following the Petition Date
Sale Hearing	No later than thirty-eight (38) calendar days following the Petition Date
Deadline for Debtors to obtain an order approving the Sale	No later than forty (40) calendar days following the Petition Date
Deadline for Debtors to close Sale	No later than July 12, 2022

20. To familiarize the Court with the Debtors and the relief that the Debtors seek in the First Day Motions, this Declaration is organized in five parts. Part I provides an introduction to the Debtors and detailed information on their corporate history, business operations, and organizational structure. Part II describes the Debtors’ prepetition capital structure. Part III describes the circumstances and key events that led to the commencement of these Chapter 11 Cases. Part IV sets forth the relevant facts in support of each of the First Day Motions. Part V sets forth the information required by Local Bankruptcy Rule 1007-2.

I. Corporate History, Business Operations, and Organizational Structure

A. Corporate History

21. Pareteum’s roots are founded in Elephant Talk Communications Corp. (“ET Corp”), an internet telephone service provider that was formed through the merger of Staruni Corporation (USA, 1962) and Elephant Talk Limited (Hong Kong, 1994) in 2001. At that time, ET Corp was striving to become a leading internet telephone service provider. Over time, as technology changed, ET Corp’s corporate goals and business model changed. As a result, at the 2016 annual stockholders’ meeting, ET Corp was rebranded and formally took on the name “Pareteum Corporation.” A discussion of the businesses that make up Pareteum is set forth below.

22. During 2018 and 2019, Pareteum was focused on strategic acquisitions of entities that supplemented or enhanced the services Pareteum was already offering to its customers.

23. In October of 2018, Pareteum completed its acquisition of Artilium PLC (“Artilium”), a provider of enterprise software services. It completed this acquisition through a court sanctioned scheme of arrangement in the United Kingdom. The total purchase consideration paid for Artilium was \$131.5 million in Pareteum stock and cash.

24. Similarly, in February of 2019, a wholly owned subsidiary of Pareteum completed its acquisition of iPass Inc. (“iPass”), a provider of global mobile connectivity and location and performance data. That transaction was accomplished through a tender offer that provided for the shares of iPass to be exchanged for stock of Pareteum and a subsequent merger of the wholly owned subsidiary of Pareteum into iPass. The total purchase consideration paid for iPass was \$30.1 million.

25. In April 2019, Pareteum also acquired Devicescape Holdings, Inc. (“Devicescape”), a provider of mobile location and engagement solutions. Devicescape was acquired for approximately \$4 million in total purchase consideration.

B. Business Operations Overview

26. Pareteum, through its various corporate entities, provides a range of services to its customers, which are communications service providers (primarily Mobile Virtual Network Operators (“MVNO”) and Mobile Virtual Network Enablers (“MVNE”)) and enterprise customers, and their respective end-users and employees. Primarily, Pareteum provides integrated solutions for a variety of communications methods through, among other things, its leading-edge Communications Platform-as-a-Service (“CPaaS”) solutions. CPaaS offers a cloud-based delivery model of real time communications for customers.

27. Through its CPaaS, the Company empowers mobile network operators, MVNO, MVNE, Mobile Virtual Network Aggregators (“MVNA”), enterprises, organizations of all sorts,

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 their own innovative communications experiences for their customers without having to invest in their own infrastructure. For example, an MVNO provider operates in a sub-segment of the mobile wireless services sector whose members provide wireless voice and data access to its customers, but do not generally possess their own network infrastructure or spectrum. Instead, the MVNO procures bandwidth from a large-scale cellular phone carrier. Similarly, rather than develop its own software and hardware for the operation of its business, an MVNO often purchases those products from a provider of CPaaS such as Pareteum. In that way, CPaaS provides customers the solutions they need to connect around the world using secured, ubiquitous, and highly scalable solutions to deliver data, voice, video, SMS/text messaging, media, and content they need to their customers at a greatly reduced cost to the MVNO.

28. The Company’s platforms host integrated information technology and core network functionality for mobile network operators and other enterprises, which allows its 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, available either as an on-premise solution or as a fully hosted service in the cloud. The vast majority of the platforms are composed of internally developed software and intellectual property, which provides customers with flexibility in how they use the products.

29. The Company also delivers an operation support system (“OSS”) for customers, 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 the channel partners to provide support and to drive sales.

30. Through its Artilium subsidiary, the Company operates 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. Additionally, one of Artilium's subsidiaries operates a messaging business that provides its customers access to more than 1000 GSM and CDMA networks in over 200 countries. The messaging business accounts for approximately 19 percent of the Company's revenue.

31. Pareteum's subsidiary iPass provides customers cloud-based global mobile connectivity, offering Wi-Fi access on any mobile device through its SaaS platform. In its simplest form, iPass provides an application, downloaded by an end user, to identify and connect to iPass's hotspots throughout the world. The cloud-based service is powered by iPass SmartConnect, iPass' Wi-Fi service platform, which identifies and rates access points based on factors such as signal strength, speed, bandwidth availability, and connection success rate.

32. Finally, Devicescape provides customers the ability to engage and connect with end users and devices at public places across the world in order to provide the ability for a Pareteum customer to utilize location-targeted experiences for its end users. Devicescape allows the end user to have a unique, targeted experience in banks and bars, cafes and concert venues, libraries and leisure centers, and countless other high-footfall public spaces.

33. Collectively, the Company employs approximately 159 full-time people worldwide. Employees of the U.S. entities are employed through two professional employment organizations ("PEOs"). Employees of non-US subsidiaries are employed directly by such local

entities. The Company's employee workforce is supplemented with approximately 113 plus independent contractors, resources obtained from staffing agencies, and other outsourced service providers to give Pareteum's customers the level of service they expect and to which they have become accustomed, as well as supplementing the internal needs of Pareteum, including without limitation, technical accounting, tax advice, and financial planning.

34. The aggregate consolidated 2020 revenue of Pareteum (including both Debtor and non-Debtor entities) across all continents and business segments was approximately \$69.6 million, which represents a year-over-year organic increase of approximately 12.2 percent despite the headwinds of the pandemic. Approximately 49 percent of the Company's revenue is derived from the provision of CPaaS to MVNO and MVNE customers. Wi-Fi and connectivity services account for an additional approximately 24 percent of the Company's revenue. Inter-Domain Messaging ("IDM"), a cross-platform SMS messaging product suite, accounts for approximately 19 percent of revenue. Approximately 8 percent of the Company's revenue comes from telecommunication services value-add services such as hosted private branch exchange, contact centers, interactive voice response, call recording, and voice mail.

35. Despite an increase in revenue from the prior year, the Company still had a net loss of \$44.7 million in fiscal year 2020. Much of this loss was driven by iPass's reduced revenue due to, among other things, the effects of COVID-19 on worldwide corporate travel, lower gross margins from the iPass business, as well as the ongoing accounting and legal costs incurred by Pareteum in addressing the fallout from the Company's accounting restatement, which were critical to the Company's efforts to try to regain Nasdaq listing compliance and raise the capital required to execute the Company's strategic plan to grow to profitability.

C. Organizational Structure

36. Pareteum is the ultimate corporate parent entity to all domestic and foreign subsidiaries, Debtor and non-Debtor alike. The majority of entities are separated by business segment. Pareteum, Pareteum North America Corporation, Pareteum Europe, B.V., and Pareteum Asia Pte. Ltd. all operate CPaaS services. Specifically, much of the MVNO and MVNE business operated outside of the United States is conducted through Pareteum Europe, B.V. and Pareteum Asia Pte. Ltd. Additionally, Pareteum N.V. and Pareteum B.V. (a non-debtor subsidiary) operate additional MVNO and MVNE based operations from Belgium and the Netherlands, respectively.

37. iPass provides global Wi-Fi access on any mobile device through its SaaS platform. They further offer MVNO and MVNE services to their customers within North America, mainly through enterprise customers.

38. Likewise, Artilium provides interactive digital messaging solutions and other specialized services to its customers, primarily in Europe.

39. Devicescape provides location specific experiences worldwide.

40. An organizational chart illustrating the corporate structure of the Debtors and non-Debtors is annexed to this Declaration as **Exhibit A**.

II. The Debtors' Prepetition Capital Structure and Debt Obligations

41. As of the Petition Date, the Debtors' debt obligations include (i) \$6 million of prepetition super senior secured obligations under the Bridge Loan owed by each of the Debtors (other than Artilium), (ii) approximately \$21.5 million of prepetition senior secured obligations under the Prepetition Senior Notes (defined below) owed by each of the Debtors (other than Artilium), (iii) \$26.1 million of prepetition secured obligations under the Junior Convertible Notes (defined below) owed by each of the Debtors, (iv) \$1.44 million of prepetition unsecured debt to

Andre Koudstaal owed by Pareteum, (v) approximately \$429,000 of prepetition secured debt owed to BNP Paribas by Pareteum N.V., (vi) approximately \$442,000 of prepetition secured debt owed to Dorenbos by Pareteum B.V. (a non-debtor-subsiary), (vii) approximately \$138,000 of prepetition unsecured debt due to PCCW Global Ltd. ("PCCW") owed by Pareteum Europe, B.V. and guaranteed by Pareteum, and (viii) certain lease obligations and other trade debt obligations, all as further described below.

A. The Prepetition Senior Notes

42. On June 8, 2020, Pareteum issued a \$17.5 million Senior Convertible Note due April 1, 2025 (the "Senior Convertible Note") to High Trail Investments SA LLC ("High Trail") for an aggregate purchase price of \$14.0 million (the "Proceeds"). Each of Pareteum North America Corp., Devicescape Holdings, Inc, iPass, Inc., iPass IP LLC, Pareteum Europe B.V., and Artilium Group Ltd. guaranteed the Senior Convertible Note (collectively the "Guarantors", and with Pareteum Corp., the "Obligated Debtors"). The Senior Convertible Note was purchased pursuant to that certain Securities Purchase Agreement dated as of June 8, 2020, between Pareteum and High Trail (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Securities Purchase Agreement"). The Senior Convertible Note is secured by the liens created under that certain Security Agreement dated as of June 8, 2020, among the Debtors and High Trail as collateral agent thereunder and other similar and supporting agreements (collectively the "HT Security Agreement"). The liens created by the HT Security Agreement secure the Senior Convertible Note encumber substantially all the assets of the Obligated Debtors. The Senior Convertible Note was issued with an interest rate of 8 percent per annum, but such interest rate increased to 18 percent per annum upon the occurrence of an event of default.

43. The Senior Convertible Note contains customary events of default, as well as events of default that were tailored to address the specific issues facing the Company, including: (i) failure to use reasonable efforts to obtain the approval of its stockholders for the issuance of the shares issuable upon conversion by October 31, 2020, (ii) cessation of trading of the Company's common stock on the Nasdaq, (iii) failure to restate 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 (iv) failure to timely file subsequent quarterly reports on Form 10-Q or 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").

44. Upon execution of the Senior Convertible Note and related documents in 2020, the Company immediately received \$4.0 million of the Proceeds for use as working capital and the remaining \$10.0 million was deposited into a blocked bank account controlled by High Trail, only accessible for future use by the Company if certain conditions were met.

45. Thereafter, certain of those conditions were met and in July and December 2020, High Trail released another \$3.0 million and \$1.0 million, respectively, in Proceeds for use as working capital.

46. Eventually, the Company also defaulted on the Senior Convertible Note and certain conditions of the HT Securities Purchase Agreement were not met. Thus, the remaining \$6 million in Proceeds that had been maintained in the blocked account were never made available to the Company and on or about April 8, 2021, those funds were swept by High Trail. The \$6 million swept by High Trail was used to reduce the then outstanding balance of the Senior Convertible Note.

47. Despite the Companies best efforts, the Companies investment bankers, FTI Capital Advisors LLC (“FTI Advisors”) and GVC Capital LLC (“GVC” and with FTI Advisors, the “Investment Bankers”) were unable to obtain additional equity, secure additional loans, and/or accomplish a strategic sale of selected assets of the Company, except for loans they were able to obtain from certain of the holders of the Junior Convertible Note (defined below). These individuals agreed to purchase additional Senior Convertible Notes issued by Pareteum, guaranteed by each of the other Obligated Debtors, and secured by the same lien (the “Additional Senior Convertible Notes” and with the Senior Convertible Note, the “Prepetition Senior Notes”). Specifically, since September 2021, the Company has issued \$5 million in Additional Senior Convertible Notes.

48. On or about April 25, 2022, Circles purchased all of the Prepetition Senior Notes issued by the Company pursuant to that certain Note Sale Contract dated as of April 25, 2022 (the “Note Sale Contract”). Under the Note Sale Contract, the Company reaffirmed its secured obligations under the Prepetition Senior Notes, agreed to take all such actions reasonably requested to replace High Trail and Channel Ventures Group as collateral and administrative agents and appoint Circles as the successor collateral and administrative agent under the Securities Purchase Agreement, acknowledged that the Prepetition Senior Notes were no longer convertible to equity, and agreed to provide amendments to certain arrangements among the various creditors of the Company. Subsequent to the purchase of the Prepetition Senior Notes, the Company and Circles amended the terms of the Prepetition Senior Notes and the HT Security Agreement pursuant to that certain Omnibus Amendment between the Company, CVG and Circles dated as of April 25, 2022 (the “Second Omnibus Amendment”). The Omnibus Amendment permitted the Company

to incur additional bridge loans, senior in lien and payment priority, to the Prepetition Senior Notes and any other debt of the Company, among other things.

B. The 2022 Bridge Loan

49. Subsequent to the entry into the Omnibus Amendment, the Company and Circles negotiated and consummated that certain Securities Purchase Agreement dated as of April 25, 2022, pursuant to which the Company agreed to issue and sell a \$6 million super-senior note payable to Circles (the “Bridge Loan”). The Company received \$6 million in proceeds from the sale of the Bridge Loan. The amounts owed under the Bridge Loan are secured by liens that encumber substantially all of the assets of the Obligated Debtors, and rank senior to the Prepetition Senior Notes and all other indebtedness of the Company. The Bridge Loan has a rate of 8 percent per annum, but such interest rate increased to 18 percent per annum upon the occurrence of an event of default. Events of Default have occurred and are continuing under the Prepetition Senior Notes and, as a result, under the cross default provisions of the Bridge Loan, Circles has the right to accelerate maturity of the Bridge Loan. The proceeds of the Bridge Loan were used to fund outstanding obligations of the Company, ongoing operations of the Company, and retainers for certain professionals the Company intends to retain in the Chapter 11 Cases.

C. The Junior Convertible Notes

50. On February 22, 2021, the Company issued the first of a series of Junior Convertible Notes due April 1, 2025 (the “Junior Convertible Notes”) in the principal amount of \$2.4 million, for the purchase price of \$2.0 million. The Junior Convertible Notes accrue interest at 8 percent per annum, with an 18 percent default interest rate. On April 13, 2021, pursuant to that certain Securities Purchase Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Junior Securities Purchase”

Agreement”), by and among Pareteum, the buyers party thereto and Hoving & Partners S.A. (“Hoving”), in its capacity as administrative agent and collateral agent for the Junior Convertible Notes, Pareteum issued additional Junior Convertible Notes. Hoving thereafter became Agent for all of the Junior Convertible Notes. Hoving subsequently resigned in such capacities and the holders of the Junior Convertible Notes appointed CVG to act as their successor Agent.

51. In April and June of 2021, additional Junior Convertible Notes were issued by the Company. As part of the issuance of those Junior Convertible Notes, Pareteum agreed to roll-up certain preferred shares held by holders of the Junior Convertible Notes and issued by Pareteum into Junior Convertible Notes on a one for one basis.

52. The Junior Convertible Notes are secured by a second lien on substantially all of Pareteum’s assets and all of the assets of the Obligated Debtors except Pareteum Europe, B.V. and Artilium.

53. The relationship between the Prepetition Senior Notes and the Junior Convertible Notes are governed by that certain intercreditor agreement between Circles as successor agent for the Prepetition Senior Notes and CVG as the agent for the Junior Convertible Notes and dated as of April 13, 2021. As of the Petition Date, the amount due on the Junior Convertible Notes was approximately \$26.1 million.

D. BNP Paribas Loans

54. Over the last several years, Pareteum N.V. has borrowed, on a secured basis, approximately \$429,000 from BNP Paribas to fund ongoing operations.

E. Dorenbos

55. In 2004, prior to its acquisition, Pareteum B.V.'s (a non-debtor subsidiary) predecessor, issued a secured demand note in the principal amount of approximately \$442,000 to Dorenbos. This note remains outstanding and is secured by all of the assets of Pareteum B.V.

F. Unsecured Obligations

56. On July 23, 2019, PCCW sold a \$34.4 million credit voucher to Pareteum Europe, B.V. for use as an offset under Pareteum Europe, B.V.'s connectivity agreement (the "Connectivity Agreement") with Hutchison 3G UK Limited ("3UK"), which was entered into on the same day. The aggregate purchase price of the credit voucher is up to \$33.9 million made in deferred payments. Additionally, under that Connectivity Agreement, Pareteum Europe, B.V. is obligated to pay 3UK \$700,000 (the "Implementation Fee") for the implementation of an MVNO (the "3UK MVNO").

57. In April 2020, Pareteum Europe, B.V. executed a facility agreement with PCCW, under which the Company could draw up to \$700,000 through four draws prior to September 30, 2020 to pay the Implementation Fee. Through the Petition Date, Pareteum Europe, B.V. made one draw for \$200,000 under the facility agreement, bearing interest at 6.0 percent per annum. 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.

58. In May 2021, Pareteum issued an unsecured promissory note to Andre Koudstaal in the principal amount of \$1.44 million.

H. Trade and Lease Obligations

59. As of the Petition Date, the Debtors estimate that approximately \$23.8 million was due and owing to holders of prepetition trade claims. The Debtors have few lease obligations, none of which are material to the Debtor's balance sheet and the majority of which are limited to real property office and datacenter leases.

60. Despite the Debtors' best efforts, due to the constant cash constraints under which the Debtors have operated for more than the past year, the Debtors were forced to stretch vendor payments and other obligations for many months prior to the Petition Date.

I. Preferred Stock

61. From December 24, 2019 to August 18, 2020, the Company issued 218 shares of Redeemable Preferred Stock. The Redeemable Preferred Stock ranks senior to the Company's common stock with respect to dividend rights and rights upon liquidation, dissolution, or winding up of the Company. Upon any liquidation event, the holders of the Redeemable Preferred Stock are entitled to be paid out of the assets of the Company legally available for distribution to its stockholders a liquidation preference of \$0.00001 per share, plus an amount equal to any unpaid dividends to and including the date of payment, but without interest, before any distribution of assets is made to holders of the Company's common stock, or any other class or series of stock. The Redeemable Preferred Stock has no voting rights except as required by law.

62. 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 29, 2020, the Company entered into Exchange Agreements (collectively, the "Exchange Agreements") with all of the holders of Redeemable Preferred Stock that modified certain terms of the Redeemable Preferred Stock as described below.

63. As noted above, in connection with the issuance of Junior Convertible Notes in the summer of 2021, numerous shares of the Redeemable Preferred Stock were exchanged and rolled up into the Junior Convertible Notes. As of December 2021, Pareteum had 126.29 shares of Preferred Stock that were issued that remain outstanding.

64. On September 20, 2019, Pareteum entered into a securities purchase agreement with institutional and accredited investors, pursuant to which Pareteum agreed to sell a total of (i) approximately 18,852,273 common stock units, consisting of one share of common stock together with one Series A Purchase Warrant to purchase one share of common stock and one Series B Purchase Warrant to purchase one-half share of common stock and (ii) 3,875,000 pre-funded units, consisting of one pre-funded warrant to purchase one share of common stock together with one Series A Purchase Warrant to purchase one share of common stock and one Series B Purchase Warrant to purchase one-half share of common stock (the “Offering”). Dawson James Securities, Inc. served as the placement agent for the Offering. The gross proceeds to Pareteum from the Offering, before deducting the placement agent and other estimated fees and expenses, were approximately \$40 million. Pareteum used approximately \$30 million of the net proceeds of the Offering to satisfy its outstanding obligations under the Post Road Facility, and the balance for working capital and general corporate purposes.

J. Common Stock

65. The Company’s common stock was delisted from the Nasdaq on February 12, 2021 and now trades over the counter on OTC Markets Group Inc.’s Pink Open Market (the “Pink Sheets”). Prior to the delisting of the Company’s common stock, Pareteum’s common stock was traded under ticker symbol TEUM on the Nasdaq Stock Market.

66. Holders of common stock are entitled to one vote per share and are entitled to receive dividends, if any, as may be declared by the Board. The holders of the Company's common stock have no preemptive, subscription, redemption, or conversion rights. The rights, preferences, and privileges of holders of the Company's common stock are subject to, and may be adversely affected by, the rights, preferences, and privileges of the holders of any series of preferred stock designated by actions of the Board in the past or in the future.

67. As of August 20, 2021, 142,697,197 shares of Pareteum common stock were issued and outstanding.

III. Circumstances Leading to the Commencement of these Chapter 11 Cases

A. Cash Intensive Business with Ongoing Liquidity Restraints

68. The telecom and software industries are constantly evolving at a rapid pace due to, among other things, deregulation, privatization, consolidation, technological advancements, availability of alternative services from competitors, and ever-changing consumer desires. A telecom company's financial results are highly dependent upon its ability to anticipate, assess, and adapt to rapid technological changes and consumer desires so that it may offer, on a timely and cost-effective basis, services that meet evolving industry standards at competitive prices.

69. At the turn of this century, Pareteum recognized that a niche market existed for a comprehensive mobile enabling platform, capable of hosting an integrated IT/back office and core network for MVNO's, MVNE's and MVNA's on a fully outsourced, cloud basis. The Company sought to develop this platform when such technologies were largely in their infancy. Pareteum has, therefore, been on the cutting edge of this technology and invested heavily in building its mobile enabling platform.

70. To stay on the leading edge, the Company's business model demanded constant investment in research and development of its technology and the acquisition of additional technology to provide relevant and competitive services to its customers. In addition to funding the costs of research and development for its platform, the Company's business model required it to expend capital on corporate administration.

71. To become cash flow positive and reach profitability, the Company's business model required the Company to scale its services to a significantly larger worldwide customer base. While the Company previously made significant inroads at reaching the necessary scale, it was not able to reach a scale sufficient to reach profitability, due in part to increased litigation and auditing costs and expenses.

72. Indeed, as recently as February 2019, the Company had closed a \$50 million credit facility with Post Road Group (the "Post Road Facility") to fund working capital and to repay an \$11 million debt iPass had at the time it was acquired by the Company. The Post Road Facility was a key to providing the flexibility that Pareteum needed to scale its business to reach profitability should additional funds be needed.

73. However, by late August 2019, Pareteum went into default under the Post Road Facility because it missed an interest payment, failed to obtain certain consents required under the Post Road Facility, and failed to provide required reporting to Post Road. Pareteum, thereafter, lost the ability to utilize the Post Road Facility.

74. Moreover, as discussed in detail in the next section, by the end of 2019, the need to restate its historic revenues due to prior management's improper recognition of revenue necessitating an accounting restatement caused the Audit Committee of the Board to commence an independent investigation of the improper revenue recognition, resulted in substantial

undertakings by the Company and the Independent Directors related to regulatory and compliance-related investigations and a resulting litany of litigation, and because of these matters and the related incurrence of legal and auditor expenses, depleted much of the capital that would have otherwise been used to bring the Company's business plan to fruition. Unfortunately, these constraints resulted in the Company having fewer resources to devote to numerous of the technological advances and other initiatives necessary to drive the expansion it needed to reach profitability.

B. Revenue Reporting and Nasdaq Delisting

75. In early August 2019, Pareteum reported that it had consolidated revenue of \$34.1 million for the second fiscal quarter of 2019. I have been informed that the Independent Directors requested further information from the Company's auditor, Baker Tilly US, LLP (f/k/a Squar Milner LLP "Baker Tilly") and additional financial information from the (now former) management regarding the large increase in revenue, the Company's cash position, forecasted cash flows, and overall financial position.

76. Shortly thereafter, in August 2019, the SEC issued a subpoena to the Company, requesting certain information and documents regarding Pareteum's business.

77. The SEC subpoena prompted the Independent Directors to launch an internal investigation with management, and shortly thereafter a comprehensive independent investigation by special legal counsel to the Audit Committee into the Company's revenue recognition practices and all its relevant surrounding circumstances.

78. At approximately the same time, the Company defaulted on the Post Road Facility, which caused an immediate cash crunch at the Company. Without that necessary credit facility,

Pareteum could do little more than tread water without obtaining an additional equity investment or secured debt.

79. In October 2019, after the Company's Corporate Secretary provided the Board with a preliminary report regarding the improper recognition of revenue, the then Chief Operating Officer of Pareteum, Denis McCarthy was terminated effective as of October 9, 2019.

80. On October 18, 2019, the Board received a preliminary report from an outside accountant, EisnerAmper LLP, that been engaged to assist in the Board's investigative efforts. That preliminary report found that revenues for year-end 2018 were overstated by approximately \$6.8 million or 21 percent, relative to the \$32.4 million revenue reported. Additionally, for the first six months of 2019, revenues were overstated by \$14.5 million or nearly 25 percent relative to the \$57.2 million in revenue reported. In December 2020, Pareteum restated its financial results for 2018, reducing the full year revenue from \$32.4 million to \$20.3 million. In March 2021, Pareteum reported its financial results for 2019, reporting a full year revenue of \$62.0 million, including restated quarterly financial results for the first half of 2019 – reducing its stated revenue for the first quarter of 2019 from \$23.0 million to \$13.1 million, and for the second quarter of 2019 from \$34.2 to \$16.9 million.

81. With recognition of that preliminary finding, the Board immediately initiated the Company's process of restating its financials, and the Audit Committee began the process of retaining independent legal and accounting advisors to conduct an independent investigation.

82. In an 8-K filed on October 21, 2019, upon the recommendation of the Audit Committee, the Company announced that it would restate its previously issued consolidated financial statements for the full year of 2018, as well as the first and second quarters of 2019. The

decision to restate its financials was based upon the Company's conclusion that certain revenues were recognized improperly during 2018 and 2019.

83. According to the outside accountants advising the Board, these misstatements resulted from improper accounting practices, whereby certain former executives had directed that revenue be recognized based on non-binding purchase orders and prior to product shipment, which is not in accordance with generally accepted accounting principles ("GAAP"). Further, the Company believed certain former senior accounting employees took steps to conceal these practices from Pareteum's auditor and Board.² The Company, at the direction of the Board, subsequently terminated all executives and employees of the Company that took part in the misreporting of the Company's revenue as the independent investigation progressed.

84. On November 1, 2019, the Board hired me to replace the Company's previous chief financial officer, effective as of November 15, 2019.

85. Also, on November 1, 2019, Mary Beth Vitale, a former executive of technology, food and beverage companies, joined Luis Jimenez-Tunon, an current executive of a technology business, and Robert Lippert, a financial economist with experience consulting corporations in finance and strategy, as an Independent Director.

86. On November 13, 2019, Nasdaq informed Pareteum that it was not in compliance with its listing rules for having failed to timely file its third-quarter 2019 Form 10-Q.

87. On November 22, 2019, in connection with the terminations of all officers and employees involved with the revenue misstatements, the Board terminated Robert "Hal" Turner from his positions as Executive Chairman and Chief Executive Officer on November 22, 2019.

² I am informed that the Independent Directors believe the Company may have meritorious causes of action against certain advisors and former members of the Company's executive team that were involved with the misreporting of revenue.

However, Mr. Turner has refused to resign from the Board, and he remains a director of the Company today.

88. Additionally, the misstatement of the Company's financial statements triggered violations under Nasdaq's listing rules. The Nasdaq notified Pareteum that, to regain compliance with Nasdaq's listing rules, the Company needed to: (i) file a Quarterly Report on Form 10-Q for the period ended September 30, 2019, (ii) file its amended Annual Report on Form 10-K/A for the year ended December 31, 2018, (iii) timely file its Annual Report on Form 10-K for the year ended December 31, 2019, and (iv) timely file its Quarterly Reports on Form 10-Q for the periods ended March 31, 2020 and June 30, 2020 (collectively, the "Delinquent Filings").

89. The Company was also notified that it had also violated Nasdaq listing rule 5550(a)(2) (the "Bid Price Rule"), because the bid price of its listed security had not exceeded \$1 per share for a period of 30 consecutive business days.

90. The Company sought to raise capital to sustain its business model and to cover its operating losses. The Company was thereafter able to issue and sell preferred stock issued by Pareteum to Hoving for \$5 million in gross proceeds (with a \$10.5 million liquidation preference) on December 16, 2019. That \$5 million in proceeds was needed in the near term to fund operations and expenses related to the independent investigation.

91. The Company continued to raise over \$10 million in additional capital through Hoving through the summer of 2020. Additionally, by June of 2020, the Company had secured the HT Senior Convertible Note to aid in the funding of the business. However, the funding of the HT Senior Convertible Note was likely at a higher rate than would have normally been available to the Company if not for the delisting of Pareteum's stock—indeed, Pareteum may have issued

and sold additional common stock but for the delisting of its stock triggered by the need for an accounting restatement.

92. At the direction of the Independent Directors, the Company, strived to meet Nasdaq's relisting requirements so that it could access the public equity markets and stabilize its financial situation. To accomplish that goal, the Company undertook an extensive, multi-year audit to complete the required restatements and cure its noncompliance; however, this comprehensive audit caused the Company to incur astronomic costs and delayed the Company's ability to come into compliance with the SEC and Nasdaq requirements. Moreover, that audit could not begin in earnest until the completion of the Company's eight-month independent investigation, which was overseen by outside counsel and independent auditors at the direction of the Independent Directors.

93. After numerous extensions, Nasdaq gave the Company until November 9, 2020 to file the Delinquent Filings with the SEC and December 31, 2020 to regain compliance with the Bid Price Rule.

94. My management colleagues and I, with the support of the Independent Directors, diligently pursued obtaining a timely audit with a view to regaining compliance with the requirements of the Nasdaq listing rules. However, progress on the audit was slow, which further delayed restatements and filings necessary to become current with the SEC's reporting requirements. Ultimately, these delays prevented the Company from meeting Nasdaq and the SEC's requirements to become current and relisted. The public trading of the common stock on Nasdaq was suspended on November 12, 2020. The formal delisting of the Company's common stock from the Nasdaq became effective on February 12, 2021.

95. Thereafter, the Company's common stock began trading on the Pink Sheets. Stocks traded on Pink Sheets are often more thinly traded than stocks traded on other public exchanges, which creates significant barriers to raising necessary liquidity through access to the capital markets.

96. In June 2021, the Company completed the audit, restated the financials, and filed the vast majority of the Delinquent Filings. However, Pareteum's stock price had not exceeded \$1 per share in the prior year—indeed, due to a material write down of goodwill and intangibles, the stock's book value was negative at the time the audit was completed. Therefore, the Company's stock could not be relisted.

97. As a result of the Nasdaq delisting, the Company has been unable to obtain cash through the public sale of securities and was forced to raise cash through the sale of preferred stock and the issuance of secured debt as described above.

98. On September 2, 2021, the SEC issued a settled administrative cease-and-desist order (the "SEC Order") that found that from 2018 through mid-2019, Pareteum misstated its revenue due to improper accounting practices, which were not in accordance with GAAP, and that since terminated senior accounting employees had taken steps to conceal these practices from Pareteum's auditor. The SEC Order further imposed a \$500,000 civil monetary fine against the Company, which the Company is paying in installments. The Company consented to the entry of the SEC Order and neither admitted nor denied the findings within the SEC Order.

C. Litigation

99. In addition to lawsuits that often arise in the ordinary course of a company's business, the Company has been plagued by numerous putative class action and derivative lawsuits since the Company's announcement regarding the misreporting of its revenue. Each of the

currently pending lawsuits is set forth on the attached **Exhibit J**.

100. Since the Company's October 21, 2019 announcement regarding the improper recognition of revenue, no less than eight putative class action and/or derivative lawsuits (after accounting for the consolidation of such derivative actions) have been commenced against the Company, its current and former management, and members of the Board at the times in which the revenue was misreported. These suits all center on the defendants' roles regarding the misstatements of revenue made in the Company's financial reports. Pareteum has vigorously defended those lawsuits, but such defense has cost the Company millions of dollars in self-retention insurance expenses and other legal fees.

101. Additionally, Pareteum is party to an additional class action lawsuit that was commenced by former shareholders of iPass who received common stock in Pareteum upon the closing of Pareteum's acquisition of iPass. This class action suit asserts that Pareteum made misleading statements regarding its financials in the tender offer by which iPass was acquired. Pareteum has been defending this lawsuit as well.

102. The class action lawsuits, in addition to a dispute involving Artilium regarding a joint venture in Africa and a dispute regarding between Pareteum and a former iPass employee, have all put a significant and sustained drain on the Company's cash flow.

103. Additional pressure has begun to mount as certain holders of accounts payable have begun to seek payment for obligations due them through the Court system.

D. Liabilities Incurred in Acquisitions

i. Artilium

104. On October 1, 2018, the Company completed acquisition of all of the outstanding shares of Artilium whereby each Artilium ordinary shareholder received 0.1016 new shares of the

Company's common stock and 1.9 pence in cash (the "Artilium Acquisition"). In connection with the Artilium Acquisition, the Company issued an aggregate of 37,511,447 shares of the Company's common stock to Artilium shareholders and cancelled 3,200,332 shares of common stock issued by Pareteum that was held by Artilium pre-acquisition. The Artilium Acquisition caused the Company to assume \$5 million in liabilities that were not adequately accounted for during the due diligence process for the Artilium Acquisition.

ii. iPass

105. On November 12, 2018, the Company entered into an Agreement and Plan of Merger (the "iPass Merger Agreement") by and among Pareteum, iPass, and TBR, Inc. ("TBR"), a wholly owned subsidiary of Pareteum. Pursuant to the iPass Merger Agreement, TBR commenced an exchange offer (the "iPass Offer") for all of the outstanding shares of iPass' common stock, for 1.17 shares of the Company's common stock, together with cash in lieu of any fractional shares. In aggregate, the Company issued 9,865,412 shares of common stock to the iPass shareholders in March 2019.

106. After the iPass merger was consummated, the Company discovered that there were numerous aging accounts payable that had not been recognized during the due diligence process of the iPass merger. This aged accounts payable was in addition to the known, approximately \$11 million loan that was owed by iPass that was paid off, in part, with proceeds of the Post Road Facility.

107. In the Summer of 2020, in an effort to reduce remaining liabilities, the Company hired FTI Consulting to attempt to compromise certain of the amounts owed by iPass through an out of court restructuring of iPass. That restructuring was not successful due to a lack of liquidity,

which made it impossible for the Company to pay certain of the upfront costs/amounts necessary to compromise the accounts payable. Thus, the iPass liabilities remain on the books of iPass.

108. To date, the Company has assumed more than \$15 million in such liabilities that were not adequately discovered at the time that the Artilium and iPass acquisitions closed.

109. The iPass, Artilium and other acquisitions, the Company, through acquisitions approved and completed prior to the discovery of its revenue misstatement, had aggregate payables of approximately \$30 million in liabilities.

E. COVID-19

110. The outbreak of COVID-19 and response to control its spread has adversely affected the economies and financial markets of many countries, resulting in a global economic downturn. The Company has experienced and expects continued volatility in customer demand and consumption habits as the pandemic continues.

111. As noted above, iPass is an application, downloaded by service users to laptops, tablets, or smartphones, to identify and connect to the system's hotspots. Airports, airlines and hotels were the largest venues for iPass Wi-Fi access. Due to COVID-19 travel restrictions, reductions in the number of flights, and the public's reluctance to travel at pre-March 2020 levels, international and domestic travel has slowed, diminishing iPass usage in airports, on aircraft and generally in hospitality venues.

112. Additionally, the Company's other CPaaS products used in travel and hospitality have been and continue to be negatively impacted by COVID-19.

IV. Bankruptcy Matters

A. Chapter 11 in the Southern District of New York

113. With respect to the choice of a filing in the United States Bankruptcy Court for the Southern District of New York, I have discussed with the Company, its legal advisors and the Independents, the various options available to the Company for financial reorganization under the laws of the many jurisdictions in which the Company operates or has property. Weighing these options, the Company has determined that the United States Bankruptcy Court for the Southern District of New York is the venue in which the reorganization of the Company is most feasible and appropriate to maximize the value of the Company's businesses and to protect the interests of its creditors, employees, current customers, and other stakeholders.

114. The protections and benefits afforded by the bankruptcy process, including the breathing space afforded by the automatic stay imposed upon the commencement of a chapter 11 case, the tolling of limitations periods for potential causes of action, the exclusivity period afforded to debtors for proposing a plan, the ability to sell substantially all of the assets of the Company free and clear of all liens, claims, encumbrances, and interests, the transparency of chapter 11 proceedings, and the distribution scheme provided under a court-supervised process that results in equitable treatment for all stakeholders, will maximize the value of the estate for distribution to the Debtors' creditors, investors, and other stakeholders.

B. Relief Sought in the Debtors' First Day Motions

115. Contemporaneously herewith, the Debtors have filed the First Day Motions in these Chapter 11 Cases seeking orders granting various forms of relief intended to stabilize the Debtors' business operations, facilitate the efficient administration of these Chapter 11 Cases, and pursue and consummate the Sale Strategy. I believe that the relief requested in the First Day Motions is

necessary to avoid immediate and irreparable harm and to allow the Debtors to operate with minimal disruption during the pendency of these Chapter 11 Cases. Additionally, the filing will permit the Debtors (or representatives of their estates) to pursue any and all claims and causes of action.

116. A description of the relief requested in, and the facts supporting, each of the First Day Motions is set forth below.

- (i) *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Their Chapter 11 Cases and (II) Granting Related Relief ("Joint Administration Motion")*

117. Pursuant to the Joint Administration Motion, the Debtors request that this Court direct procedural consolidation and joint administration of these Chapter 11 Cases. Many of the motions, hearings, and orders in these Chapter 11 Cases will affect each Debtor entity. For example, virtually all of the relief sought by the Debtors in the First Day Motions is sought on behalf of all Debtors. The entry of an order directing joint administration of these Chapter 11 Cases will substantially reduce fees and costs by avoiding duplicative filings and objections. In addition, joint administration will allow the U.S. Trustee and all parties in interest to monitor these Chapter 11 Cases with greater ease and efficiency. Accordingly, on behalf of the Debtors, I respectfully submit that the Joint Administration Motion should be approved.

- (ii) *Debtors' Motion for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenses, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs, (II) Extending Time to File Rule 2015.3 Financial Reports, (III) Waiving Requirements to File the List of Equity Holders and Serve Notice of Commencement on All Equity Holders and (IV) Granting Related Relief ("Schedules and SOFAs Motion")*

118. Pursuant to the Schedules and SOFAs Motion, the Debtors seek entry of an order (a) extending the deadline by which the Debtors must file their schedules of assets and liabilities,

schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the “Schedules and Statements”) by 30 days, for a total of 44 days from the Petition Date, without prejudice to the Debtors’ ability to request additional extensions, (b) extending the deadline by which the Debtors must file their initial reports of financial information with respect to entities in which the Debtors hold a controlling or substantial interest as set forth in Bankruptcy Rule 2015.3(d) (the “2015.3 Reports”) to 30 days after the initial date set for the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the “341 Meeting”), without prejudice to the Debtors’ ability to request additional extensions, and (c) waiving the requirements to (i) file a list of equity security holders and (ii) serve the notice of commencement on all equity security holders, and (d) granting related relief.

119. To prepare their Schedules and Statements, the Debtors, with the assistance of their financial and other advisors, have been working as expeditiously as possible to compile information from books, records and other documents pertaining to, among other things, accounts payable and receivable, real estate and capital leases, employee wages and benefits, intercompany transactions, and vendor and supplier agreements which, in the aggregate, consist of thousands of claims, assets and contracts of the Debtor entities. Collecting the required information requires a substantial amount of time, energy, and resources from the Debtors’ personnel and professional advisors. Due to the competing demands on the Debtors and their advisors to stabilize business operations leading up to the filing of these Chapter 11 Cases and the initial post-petition period, I believe it is highly unlikely that the Debtors will be able to complete the Schedules and Statements within the initial 14-day time period prescribed by the applicable rules.

120. Additionally, because numerous invoices related to prepetition goods and services have not yet been received and entered into the Debtors' accounting system, it will take some time before the Debtors have access to all the information required to prepare the Schedules and Statements.

121. Further, I am advised that several of the Debtors hold interests in certain non-Debtor subsidiaries that meet the requirements of Bankruptcy Rule 2015.3, and thus are required to file 2015.3 Reports. I believe that because of the size, complexity, and geographic scope of the Debtors' businesses, the Debtors are not in a position to complete their initial 2015.3 Reports within the time required under Bankruptcy Rule 2015.3.

122. Additionally, I am advised that the Debtors must file a list of their equity security holders pursuant to Bankruptcy Rule 1007(a)(3). I believe that this requirement should be waived as to Debtor Pareteum. Pareteum is a public company, and as of August 20, 2021 had 142,697,197 shares of common stock outstanding. I believe that preparing and filing the list of Pareteum's equity security holders with last known addresses is unnecessary at this time and would create an additional expense without a concomitant benefit to the estate. Sending notices to all such parties will be expensive and time consuming and will serve little or no beneficial purpose. Equity security holders likely will know of these Chapter 11 Cases through the financial press as well as the Debtors' reporting with the SEC and the Company's investor relations website.

123. Moreover, I understand that Pareteum has filed with its petition, to the extent applicable, a list of significant holders of its outstanding common stock (any party holding more than 5% of the common stock) and that the Debtors intend to cause the notices required under Bankruptcy Rule 2002(d) to be served on any such registered holders of Pareteum's common stock. I further understand that the notices will be posted on the case website maintained by the

Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants LLC ("KCC" or the "Claims Agent").

(iii) Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Maintain a List of Creditors in Lieu of Submitting a Formatted Mailing Matrix and (B) File a Consolidated List of the Debtors' Top 30 Creditors and (II) Establishing Procedures for Notifying Parties of the Commencement of These Chapter 11 Cases (the "Creditor Matrix Motion")

124. Pursuant to the Creditor Matrix Motion, the Debtors seek entry of an order authorizing, but not directing, the Debtors to (a) maintain a consolidated list of creditors (the "Creditor Matrix") in lieu of submitting a separate matrix for each Debtor, (b) file a consolidated list of the Debtors' top 30 unsecured creditors (the "Top 30 Creditor List"), and (c) establish procedures for notifying parties of the commencement of these Chapter 11 Cases.

125. I am advised that debtors are usually required to file a list containing the name and complete address of each creditor and a list containing the name, address and claim of the creditors that hold the 20 largest unsecured claims, excluding insiders. Although these lists of creditors are often filed on a debtor-by-debtor basis, in a chapter 11 bankruptcy case involving more than one debtor, I understand that the debtors may maintain, in lieu of filing, a consolidated list of creditors and file a consolidated list of the debtors' top creditors. Here, the Debtors have tens of thousands of potential creditors and other parties in interest, and the preparation of a separate list of creditors for each Debtor would be expensive, time consuming, administratively burdensome and of little incremental benefit. Additionally, converting the Debtors' computerized information to a format compatible with the matrix requirements would be a burdensome task and would greatly increase the risk of error with respect to information on computer systems maintained by the Debtors or their agents. Further, because a large number of creditors may be shared among the Debtors, the

Debtors request authority to file a single, consolidated list of the 30 largest creditors. This will help alleviate administrative burdens, costs and the possibility of duplicative service.

126. In lieu of submitting a formatted mailing matrix, the Debtors also seek authorization to file the Creditor Matrix on the Court's docket and provide the Creditor Matrix in electronic form to the Court, the U.S. Trustee, and counsel to an official committee of unsecured creditors appointed in these Chapter 11 Cases (if any) and, upon a request to the Debtors (email is sufficient) or to the Court that is reasonably related to these Chapter 11 Cases, any party in interest. The Debtors also will seek authorization to post a version of the Creditor Matrix on the case website established by the proposed Claims Agent (www.kccllc.net/pareteum) that does not specify the names or addresses of individual creditors.

(iv) Application for an Order Appointing Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtors Pursuant to 28 U.S.C. § 156(c), 11 U.S.C. § 105(a), and S.D.N.Y. LBR 5075-1 (the "Claims Agent Application")

127. Pursuant to the Claims Agent Application, the Debtors seek entry of an order appointing Kurtzman Carson Consultants LLC ("KCC") as the claims and noticing agent for the Debtors in connection with these Chapter 11 Cases, including assuming full responsibility for the distribution of notices and the maintenance, processing and docketing of proofs of claim filed in the Debtors' Chapter 11 Cases.

128. I have reviewed KCC's engagement agreement, which is attached as an Exhibit to the Claims Agent Application, and the description of services that KCC has agreed to provide and the compensation and other terms of the engagement as provided in its Engagement Agreement. Based on that review, I believe that the Debtors' estates, creditors, parties-in-interest and the Court will benefit from KCC's experience and cost-effective methods. Prior to retaining KCC, the Debtors also solicited and reviewed engagement proposals from two other potential claims and

noticing agents. The Debtors believe, and I agree, that KCC's rates are competitive and reasonable given KCC's quality of services and expertise and that the appointment of KCC as claims and noticing agent is the most effective and efficient manner by which to provide noticing and claims processing services in these Chapter 11 Cases.

(v) *Debtors' Motion for an Order Enforcing Sections 362, 365(e)(1) and 525 of the Bankruptcy Code ("Automatic Stay Motion")*

129. Pursuant to the Automatic Stay Motion, the Debtors seek entry of an order enforcing and restating the automatic stay, ipso facto, and antidiscrimination provisions under the Bankruptcy Code.

130. The Debtors are a leading provider of CPaaS and other telecommunications services worldwide. I understand that, as a result, the Debtors have many foreign creditors, contract counterparties and other parties in interest in various countries who may not be well versed in the protections and restrictions of the Bankruptcy Code. I also understand that some of these creditors do not transact business on a regular basis with companies that have filed for chapter 11, or may be unfamiliar with the scope of a debtor-in-possession's authority to conduct its business. These creditors may be unfamiliar with the operation of the automatic stay and other provisions of the Bankruptcy Code. Accordingly, the Debtors submit, and I agree, that such circumstances warrant an order apprising parties—especially non-U.S. customers, creditors, and vendors—of sections 362, 365(e)(1), and 525 of the Bankruptcy Code and the protections provided thereby.

(vi) *Debtors' Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, 507 and 552, (I) Authorizing the Debtors to (A) Obtain Post-petition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Super-priority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing and (VI) Granting Related Relief (the "DIP Motion")*

131. Pursuant to the DIP Motion, the Debtors seek entry of interim and final orders (a) authorizing the Debtors to obtain senior secured, super-priority, priming, post-petition financing (the "DIP Financing"), (b) granting liens and super-priority administrative expense claims, (c) authorizing the use of cash collateral ("Cash Collateral"), (d) granting adequate protection, (e) modifying the automatic stay and (f) scheduling a final hearing.

132. The Debtors are entering chapter 11 with limited cash on hand – as of the Petition Date, the Debtors only have less than \$200,000 of unrestricted cash available to fund operations. As described in the DIP Motion, the relief sought in the DIP Motion is critical for the Debtors to pay their ordinary-course operating expenses, finance these chapter 11 cases, and implement a strategic asset sales strategy (the "Sale Strategy"), all to maximize value for all the Debtors' stakeholders. Further, I expect that vendors, customers, and their employees will be highly focused on whether these chapter 11 cases are appropriately funded to maximize the greatest possibility of success.

133. I am familiar with and was involved with the negotiation of terms of the DIP Facility and the adequate protection proposed to be provided by the Debtors in exchange for access to Cash Collateral and the DIP Financing. The Debtors, with assistance from experienced financial and legal advisors, engaged with their prepetition secured lenders—who have substantial experience with the Debtors and familiarity with their business—to solicit an initial proposal to provide debtor-in-possession financing. Negotiation with the proposed DIP Lender was conducted

at arm's length and was rigorous. The robust nature of this negotiation process is demonstrated by the terms of the DIP Facility. The Debtors believe the DIP Facility provides sufficient liquidity with customary budget restrictions, all at reasonable rates and market fees. As confirmed by the Debtors' prepetition marketing process, there is no alternative financing available to the Debtors in the marketplace on superior terms.

134. Prior to the Petition Date, the Debtors' financial advisor, FTI Consulting ("FTI"), worked with the Debtors and the Debtors' other advisors to analyze the Debtors' projected sources and uses of cash and resulting cash needs. Based on this assessment, the Debtors management and the Independent Directors developed a budget (the "DIP Budget") to assess their need for additional liquidity. The DIP Budget contains forecast line items for, among other things, customer collections, supplier payments, payroll, and other costs necessary to execute the case and support operations. I believe the DIP Budget contains the necessary and reasonably foreseeable expenses to be incurred over the forecast period in connection with the Debtors' operations. Based on these projections, I believe the use of cash collateral alone would be insufficient to adequately cover the Debtors' cash needs.

135. The proposed DIP Financing consists of: (i) \$6 million new money term loan facility, of which up to \$3 million of borrowings will be available to the Debtors upon entry of the proposed interim order approving the DIP Financing (the "Interim DIP Order"), with the remaining \$3 million new money term loans available to the Debtors upon entry of a final order approving the DIP Financing (the "Final DIP Order") and (ii) roll-up loans in an amount equal to the outstanding amount of prepetition senior obligations held by the DIP Lender (Circles) or its affiliate that will be deemed to repay the prepetition senior obligations, subject to entry of a Final Order.

136. In exchange for providing the new money term DIP commitments, the DIP Lender is entitled to the following fees: (i) a commitment fee on the aggregate unused amount of the New Money DIP Loan Commitments, payable in kind each month (the “Commitment Fee”); (ii) an upfront fee of the aggregate principal amount of the DIP Lender’s new money DIP term commitments as of the Closing Date, payable-in-kind, to be earned, due, and payable on the Closing Date; and (iii) an exit fee of the aggregate principal amount of the DIP Lender’s new money term DIP loans held as of the Closing Date, payable in cash, to be earned, due, and payable on the earlier of (x) the Termination Date or (y) repayment (in full or in part) of the DIP term loans, as set forth more fully in the DIP Facility documents.

(vii) Debtors’ Motion for Entry of an Interim and Final Orders (I) Authorizing, but Not Directing, the Debtors to (A) Continue to Use Their Existing Cash Management System, Including Existing Bank Accounts, (B) Honor Certain Prepetition Obligations Related thereto, (C) Maintain Existing Bank Accounts and Utilize Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief (the “Cash Management Motion”)

137. Pursuant to the Cash Management Motion, the Debtors are seeking interim and final orders: (a) authorizing, but not directing, the Debtors, in their sole discretion, to (i) continue to use their existing cash management system (the “Cash Management System”) as described in the Cash Management Motion, (ii) honor certain prepetition obligations related thereto; (iii) continue using existing business letterhead, purchase orders, invoices, envelopes, promotional materials and other business forms and correspondence; (b) (i) authorizing the Debtors to continue to perform intercompany transactions with each other on a post-petition basis in the ordinary course of business and consistent with historical practice and (ii) according administrative expense priority status to post-petition intercompany transactions; and (c) granting related relief.

138. In the ordinary course, the Debtors maintain the Cash Management System, which is comprised of 21 bank accounts, of which only 11 are active bank accounts (collectively, the

“Bank Accounts”). The active Bank Accounts are maintained at Capital One Bank (“CapOne”), Silicon Valley Bank (“Silicon”), and ABN AMRO Bank N.V. (“ABN”), and collectively with CapOne and Silicon, the “Banks”). As further illustrated in the Cash Management Motion, the Cash Management System is comprised of a three primary operating accounts, of which two are held at CapOne and one is held at Silicon (such accounts, the “Primary Operating Accounts”); seven customer collection accounts and/or disbursement accounts, of which four three held at Silicon and two are held at ABN (collectively, the “Collection and Disbursement Accounts”); one zero-balance payroll account held at Silicon; one escrow account held by Silicon (the “Escrow Account”); one tax account at Silicon and 10 inactive bank accounts (the “Inactive Accounts”). The Bank Accounts are identified on Exhibit 2 annexed to Exhibit A and Exhibit B attached to the Cash Management Motion.

139. The Debtors have designed the Cash Management System to meet their operating needs, enable management to control and monitor corporate funds, ensure cash availability and liquidity, comply with the requirements of their financing agreements, reduce administrative expenses by facilitating the movement of funds, and enhance the development of accurate account balances.

140. The Debtors, together with their non-Debtor affiliates that are subsidiaries of Debtor Pareteum Corporation (the “Non-Debtors” and together with the Debtors, the “Company”) operate globally and maintain Bank Accounts in over four (4) countries, including the United States. The Debtors propose to continue using the active Bank Accounts subject to the Debtors’ rights to open³ and close certain accounts in their discretion.

³ The Debtors anticipate opening a bank account with Silicon which will be used to collect customer payments, make payroll, and make vendor disbursements for Pareteum N.V.

141. The Cash Management System is largely organized by the Company's various business segments. Debtors Pareteum Corporation, Pareteum Europe B.V., and Pareteum North America Corp. operate in the Company's "Pareteum" business segment, which provides, to its customers, integrated solutions for a variety of communications methods through, among other things, its leading-edge Communications Platform-as-a-Service ("CPaaS") solutions. CPaaS offers a cloud-based delivery model of real time communications for customers.

142. Debtor Artilium Group Ltd. operates in the Company's "ARTA" business segment and provides software solutions, which layer over disparate fixed, mobile, and intellectual property networks to enable the deployment of converged communication services and applications to its customers.

143. Debtors iPass, Inc. and iPass IP LLC operate in the Company's "iPass" business segment, which provides customers cloud-based global mobile connectivity, offering Wi-Fi access on any mobile device through its SaaS platform. In its simplest form, this business segment provides an application, downloaded by an end user, to identify and connect to iPass' hotspots throughout the world.

144. The Cash Management System is largely centralized in the United States through Debtors Pareteum Corporation and iPass, Inc., and has several main functions: (a) cash collection, including the collection of payments made to the Debtors from revenue generated in the ordinary course of business; (b) cash disbursements to fund the Debtors' primary debt obligations and business operations, which primarily consist of payroll, capital expenditures, research and developments costs, maintenance costs and payments to vendors and service providers; and (c) cash transfers and pooling within the Company. The roles of the Debtor's active Bank Accounts are summarized in the Cash Management Motion.

145. Because of the nature of the Debtors' businesses, the volume of transactions processed through the Cash Management System on a daily basis, and the disruption to the businesses that would result if they were forced to close their existing Bank Accounts, it is critical that the Court permit the Debtors to continue to utilize the Cash Management System in the ordinary course.

146. Two of the banking institutions utilized by the Debtors, CapOne and Silicon, are designated as authorized depositories in the Southern District of New York pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the "U.S. Trustee Guidelines"). As authorized depositories, each of these institutions are party to a uniform depository agreement with the U.S. Trustee, and therefore the Debtors believe that the Bank Accounts at these institutions will be collateralized in a manner consistent with the requirements of section 345 of the Bankruptcy Code. However, two of the active Bank Accounts are held at ABN, which is not an authorized depository.

147. The Debtors maintain (i) the Collection and Disbursement Account ending in 0882, which holds amounts not to exceed \$50,000 with ABN to collect customer receipts and make vendor disbursements and (ii) the Collection and Disbursement Account ending in 0132, which holds amounts not to exceed \$50,000 with ABN to collect customer receipts and make vendor disbursements. While these accounts are not held at an authorized depository, ABN is an internationally-recognized, highly rated (according to Moody's and S&P) and financially stable entity. Accordingly, the Debtors believe that they can maintain these accounts at ABN without jeopardizing any parties-in-interest and that any funds deposited in the Bank Accounts are secure. Therefore, the Debtors respectfully submit that cause exists to continue to allow the Debtors to utilize their existing Bank Accounts.

148. Because the Bank Accounts are vital to the Cash Management System, requiring the Debtors to transfer the funds held in non-authorized depositories to authorized depositories or for the Debtors to post a bond for these accounts would place a needless administrative and financial burden on the Debtors, imposing unnecessary and avoidable costs on the Debtors' estates.

149. In connection with a judgment entered in the Supreme Court of the State of New York, County of Kings, against Debtor Pareteum Corporation (*Tech Data Corp. v. Pareteum Corporation*, Index No. 525564/21, File No. 269184) relating to Debtor's alleged failure to pay for certain goods and services in the amount of \$123,455.49, CapOne placed a hold on the Primary Operating Account ending in 6309 in the amount of \$188,615.75 (the "Tech Data Hold"). The Debtors request that the Court lift the Tech Data Hold and any other holds on the Debtors' Bank Accounts pursuant to section 362 of the Bankruptcy Code.

150. In the ordinary course of business, the Debtors engage in routine business relationships with each other, including payments and transfers from one Debtor to another (the "Intercompany Transactions"), some of which result in intercompany receivables and payables (the "Intercompany Balances"). Accordingly, at any given time there may be Intercompany Balances owing by one Debtor to another Debtor. The number frequency of Intercompany Transactions, as well as the amounts for each Intercompany Transaction, varies broadly based on the cash needs of each Debtor. Such Intercompany Transactions are typically conducted pursuant to ordinary use of the Debtors' Cash Management System, joint use of certain shared service platforms, and intercompany ordinary course business transactions, among others.

151. Intercompany Balances are reflected as journal entry receivables and payables, as applicable, in the respective Debtors' accounting systems. In the ordinary course of business, the Debtors monitor, and will continue to monitor on a postpetition basis, the incurrence of

Intercompany Balances and the corresponding settlement of such Intercompany Balances. Discontinuing the Intercompany Transactions would unnecessarily disrupt the Cash Management System and the Debtors' operations to the detriment of the Debtors, their creditors, and other stakeholders. The Debtors seek the authority to continue the Intercompany Transactions in the ordinary course of business on a postpetition basis, in a manner consistent with prepetition practice.

152. Additionally, the Debtors are party to one or more intercompany service agreements (the "Intercompany Services Agreements") through which intercompany services are provided by various non-Debtor entities to one or more Debtor entities. The Debtors would be subjected to adverse consequences if they ceased performing under the Intercompany Services Agreements. Accordingly, the Debtors seek the authority to continue the transactions contemplated by the Intercompany Services Agreements and performance of their respective obligations under the Intercompany Services Agreements in the ordinary course of business on a postpetition basis, in a manner consistent with prepetition practice.

153. In the ordinary course, the Debtors incur periodic service charges, payment processing fees, and other fees in connection with maintaining the Cash Management System (collectively, the "Bank Fees"). The Debtors incur approximately \$14,000 in Bank Fees each month under the Cash Management System in the aggregate. The Debtors do not believe there are any prepetition Bank Fees outstanding as of the Petition Date (the "Prepetition Bank Fees"). To maintain the integrity of their Cash Management System, the Debtors request authority to pay any prepetition Bank Fees for prepetition transactions that are charged postpetition and to continue to pay the Bank Fees in the ordinary course on a postpetition basis.

154. As part of their Cash Management System, the Debtors use various preprinted business forms (the “Business Forms”), such as letterhead and checks, in the ordinary course. To minimize expenses to their estates and avoid confusion during the pendency of these chapter 11 cases, the Debtors request that the Court authorize the Debtors’ continued use of all existing preprinted correspondence and Business Forms (including, without limitation, letterhead, checks, and other Business Forms) as such forms were in existence immediately before the Petition Date, without reference to the Debtors’ status as debtors in possession, rather than requiring the Debtors to incur the expense, and delay of ordering entirely new Business Forms. Once the Debtors have exhausted their existing stock of Business Forms, if the Debtors remain in chapter 11, they shall ensure that any new Business Forms are clearly labeled “Debtor In Possession” and, with respect to any Business Forms that exist or are generated electronically, the Debtors shall ensure that such electronic Business Forms are clearly labeled “Debtor In Possession.”

155. For the reasons set forth in the Cash Management Motion, cause exists to waive the U.S. Trustee Guidelines and allow the Debtors to continue to maintain the Bank Accounts and the Debtors’ cash management practices in the ordinary course of business.

(viii) Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing, But Not Directing, the Debtors to (A) Pay Prepetition Wages, Salaries, Employee Benefits, Payroll Taxes and Other Compensation and (B) Maintain Employee Compensation and Benefits Programs and Pay Related Administrative Obligations, (II) Authorizing Applicable Banks and Other Financial Institutions to Honor and Process Related Checks and Transfers and (III) Granting Related Relief (the “Wages Motion”).

156. The Wages Motion requests authority to pay certain prepetition amounts related to the Debtors’ Employee Compensation Obligations (as defined below) and Employee Benefits Programs (as defined below) (together, the “Employee Compensation and Benefits”) and to continue to pay and provide the Employee Compensation and Benefits on a post-petition basis in the ordinary course of business. In addition, the Wages Motion requests that the Debtors be

authorized to pay compensation to their non-employee directors (the “Non-Employee Directors”) and Employees and Temporary Employees (as defined in the Wages Motion), in each case, in the ordinary course along with any related administrative obligations. As set forth in the Wages Motion, the Debtors incur a number of obligations in compensating the employees for their services which are described in further detail in the Wages Motion, including wages, salaries, deductions and payroll taxes, severance, expense reimbursement obligations, referral and other recognition payments, sales commissions, long-term incentive programs, non-insider continuity awards and non-insider retention awards (including any related obligations and administrative expenses, the “Employee Compensation Obligations”).

157. The Debtors make payroll payments by direct deposit bank transfer to either the Employees’ bank account or, in the case where the Company utilizes a PEO, a payment to the PEO. As of the Petition Date, the Debtors estimate that they owe Employees approximately \$350,000 in accrued and unpaid prepetition wages and salaries inclusive of employee payroll taxes and deductions related to benefit plans (the “Prepetition Unpaid Compensation”), all of which was earned within 180 days before the Petition Date. In the Wages Motion, the Debtors request authority to pay the Prepetition Unpaid Compensation and prepetition amounts owed to staffing agencies with respect to Temporary Employees, as well as to continue payments of such compensation in the ordinary course of business post-petition. The Debtors also request authority in the Wages Motion to continue to pay their Non-Employee Directors for their service to the Debtors in the ordinary course of business consistent with the Debtors’ prepetition practices.

158. The Debtors maintain the On-Target-Earnings (“OTE”) Sales Commission Plan (the “Commission Plan”), which is designed to reward top-performing Employees, none of whom are “insiders” of the Debtors as defined in section 101(31) of the Bankruptcy Code. The OTE was

established for all eligible and enrolled salespersons, territory managers, and strategic account managers and is comprised of three components: (1) commission on personal target; (2) commission on the setup fee for new agreements; and (3) commission on the minimum monthly commitment for new agreements. With respect to the first component, the Debtors assign a quarterly personal target to the applicable Employee based on actual collected cash (*i.e.*, invoices that have been sent and are paid in full). The commission is calculated three months after the quarter closing based on the actual collected cash received for sales made during the applicable quarter and paid within thirty days after the calculation. For example, the commission for sales made in the first quarter of 2021, to the extent collected in the second quarter of 2021, was calculated in third quarter of 2021 and paid within thirty days of the calculation date. As of the date of the Petition, the Debtors estimate do not believe they owe any amounts for commissions on personal targets calculated and payable prior to the Petition Date.

159. I am advised that the Debtors are also required by law to withhold from Employees' and Non-Employee Directors' wages, salaries and other compensation certain amounts related to federal, state and local income taxes and Social Security, Medicare and imputed taxes, as well as similar non-U.S. taxes, when applicable, for remittance to the appropriate Taxing Authorities. Further, the Debtors must match from their own funds certain U.S. taxes (such as Social Security and Medicare taxes) and pay, based on a percentage of gross payroll, additional amounts for federal and state taxes, such as unemployment and disability insurance, as well as any similar obligations under the laws of the various non-U.S. jurisdictions where the Debtors operate (the "Employer Payroll Taxes" and, together with the withholdings, the "Payroll Taxes"). Excluding the impact of any temporary furloughs or pay reductions, the Debtors' ordinary Payroll Taxes are approximately \$8,000 on the fifteenth day and last day of the month

for the U.S. Employees and are approximately \$32,000 on a monthly basis in the aggregate for Non-U.S. Employees

160. On average, the Debtors deduct approximately \$36,000 per payroll period from the paychecks of the Employees employed through PEOs, and approximately \$47,000 per monthly payroll from any direct Employees' paychecks. The Debtors do not believe that there are any accrued employer payroll taxes outstanding as of the Petition Date for PEO employees. However, the Debtors estimate that they will owe approximately \$25,000 in pre-petition accrued payroll taxes for Direct employees and therefore request court authority to pay such amounts. In addition, due to the commencement of these Chapter 11 Cases, certain prepetition Payroll Taxes and Deductions may not have been remitted or forwarded to the appropriate recipient before the Petition Date. The Debtors therefore request authority, but not direction, (a) to process, or to direct third parties to process, any unpaid or unremitted Payroll Taxes and Deductions as of the Petition Date and (b) to continue to honor and process, or to direct third parties to continue to process, Payroll Taxes and Deductions on a postpetition basis, in the ordinary course of business, in accordance with their prepetition practices.

161. The Debtors also have outstanding obligations to certain Employees for reimbursable and customary out-of-pocket business expenses (the "Reimbursable Expenses"). It is my view that the Debtors' Reimbursable Expenses program serves the necessary function of ensuring the Employees do not bear costs incurred on behalf of the Debtors in connection with their employment. As of the Petition Date, the Debtors believe that they do not owe any Reimbursable Expenses, and request authority in the Wages Motion to pay any unpaid prepetition Reimbursable Expenses and to continue to pay Reimbursable Expenses in the ordinary course of business on a post-petition basis.

162. In addition to the Employee Compensation Obligations, the Debtors offer eligible U.S. Employees a number of Employee Benefits Program, including medical, dental and vision plans, life insurance, disability coverage, workers' compensation, an employee assistance program, vacation and paid and unpaid leave time, retirement and savings plans (a 401(k) plan, a defined benefit pension plan and the Supplemental Savings Plan), and other employee benefits. For non-U.S. Employees, the Debtors generally contribute, on behalf of their respective Employees, to the statutory health and social insurance systems in the non-U.S. jurisdictions where they operate, as applicable, as well as provide certain other health and welfare benefits, including vacation and paid and unpaid leave time, as is customary in the applicable jurisdiction, provided for in a collective bargaining agreement or other labor agreement or required by local law. Certain of the Debtors' non-U.S. Employees also participate in retirement and savings plans, including defined benefit pension plans, defined contribution pension plans and supplementary savings or retirement schemes (collectively with the employee benefits and retirement programs described in this paragraph, the "Employee Benefits Programs"). In connection with administering the Employee Benefits Programs, the Debtors utilize the services of several third-party vendors.

163. Payment of the Employee Compensation Obligations and continuation of the Employee Benefits Programs described in the Wages Motion is critical to the Debtors' ability to continue to operate their businesses. If the Debtors do not continue to timely pay and provide compensation and benefits, members of the workforce may seek alternative employment, and it would be extremely burdensome for the Debtors to replace the workforce during these Chapter 11 Cases. As a result, it is my belief that payment of the workforce obligations described in the Wages Motion is necessary for the preservation of the Debtors' estates, and the Debtors' ability to reorganize would be severely impaired if they were not honored.

164. The Debtors believe, and I agree, that the Debtors do not owe any Employee prepetition amounts in excess of the \$15,150 cap under section 507(a)(4) of the Bankruptcy Code.

(ix) Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing, but Not Directing, the Debtors to (A) Continue Their Insurance Policies and Pay all Obligations in Respect Thereof, and (B) Renew, Supplement, Modify or Purchase New Insurance Coverage (II) Authorizing Applicable Banks and other Financial Institutions to Honor and Process Related Checks and Transfers and (III) Granting Related Relief (the "Insurance Motion")

165. Pursuant to the Insurance Motion, the Debtors seek entry of interim and final orders (a) authorizing, but not directing, the Debtors, in their sole discretion, to (i) continue their Insurance Policies (as defined below) and pay all obligations in respect thereof, and (ii) renew, supplement, modify or purchase new Insurance Policies or obtain new insurance coverage as needed in the ordinary course of business without further Court approval and (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers.

166. Prior to the Petition Date, the Debtors maintained various liability, property and other insurance policies (whether current or expired, and together with any agreements related thereto, the "Insurance Policies") through several different insurance carriers (together with any third-party administrators, the "Insurance Carriers") including, but not limited to, the Insurance Policies that are currently in force with the Insurance Carriers, each of which are identified in Exhibit C to the Insurance Motion. The Insurance Policies provide the Debtors with insurance coverage for liabilities relating to, among other things, property damage and business interruption, terrorism, general liability (including excess liability), director and officer ("D&O") liability, cybersecurity and technology errors, business travel and personal accidents, workers' compensation, automobile and trucking liability, and various other property-related and general liabilities. The Insurance Policies also include any new or similar policies entered into by the Debtors after the date hereof due to expiration or otherwise. As of the Petition Date, the aggregate

annual premium for the Insurance Policies totaled approximately \$3,100,000, plus applicable taxes and surcharges (the "Insurance Premiums," and together with any deductibles, taxes, costs, fees, and other expenses, collectively, the "Insurance Expenses"). The Insurance Premiums come due either on a quarterly, semi-annual, or annual basis depending on the policy, except for those that are financed. Certain of the Insurance Policies are auditable and subject to deductibles, collateral obligations, and letter of credit obligations. Therefore, the Insurance Premiums may be subject to change. With respect to outstanding premiums that are not financed, the Debtors estimate there is \$4,800 due for quarterly premiums owed through the end of 2022. They estimate \$1,600 is owed prepetition and outstanding as of the Petition Date.

167. There are a total of four Insurance Premiums that are financed through two premium financing agreements (the "Financing Agreements") with US Premium Finance. A schedule of the Financing Agreements, including premium payments, term, and amounts due, is attached hereto as Exhibit D. The Debtors believe they owe approximately \$43,000 in prepetition amounts on financed premiums as of the Petition Date. The Debtors seek authority to continue satisfying obligations related to the Insurance Policies or the Financing Agreements in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

168. Failure to pay insurance premiums owed under the insurance program may harm the Debtors' estates. I am advised that the Insurance Carriers may refuse to renew the Debtors' Insurance Policies or attempt to terminate the Debtors' existing Insurance Policies. Any disruption to the Debtors' insurance program and any material change in the terms thereof would place additional risk on the Debtors and other parties who benefit from the Debtors' insurance program.

169. The Whitmore Group, PL Risk Advisors, Inc., Lockton, and Huysman Verzekeringen (collectively, the "Insurance Brokers") assist the Debtors with: (a) obtaining

comprehensive, cost-effective insurance coverage for their operations; (b) negotiating policy terms, provisions, and premiums; (c) administering claims and complying with collateral requirements; and (d) providing ongoing support throughout policy periods. The Debtors pay the Insurance Brokers brokerage fees in the aggregate amount of approximately \$11,500 per year (the "Insurance Brokerage Fees").

170. The Insurance Brokers are paid for their services annually through standard commissions that are built into the price of the Insurance Premiums and become due and payable simultaneous with the payment of the Insurance Premiums. The Debtors pay each Insurance Broker the entire amount of the Insurance Premium due under certain Insurance Policies, after which the Insurance Brokers take a percentage of the Insurance Premium as compensation for their services, and direct payment of the remaining funds to the applicable Insurance Carrier.

171. As of the Petition Date, the Debtors do not believe they owe any amounts to the Insurance Brokers on account of fees or any other prepetition obligations. The Insurance Brokers' services are necessary to the Debtors' ability to obtain Insurance Policies on advantageous terms and at competitive rates. The Insurance Brokers' services will also facilitate the proper maintenance of the Debtors' Insurance Policies postpetition and ensure adequate protection of the Debtors' property. Accordingly, the Debtors request authority to: (a) continue paying amounts owed to the Insurance Brokers in the ordinary course of business on a postpetition basis; and (b) replace any of the Insurance Brokers as may be necessary.

172. In the ordinary course of business, certain statutes, rules, contracts, and regulations require that the Debtors provide surety bonds to certain third parties, often to governmental units or other public agencies, to secure the Debtors' payment or performance of certain obligations (the "Surety Bond Program"). These include, among other things, obligations

related to rights of way, "pole attachments," franchise rights, general maintenance and performance obligations, and utility deposits, all of which are necessary to operate a national telecommunications company. As such, failing to provide, maintain, or timely replace their surety bonds will prevent the Debtors from undertaking essential functions related to their operations.

173. The Company has outstanding surety bonds issued by Traveler's Bond & Specialty Insurance and Liberty Mutual Insurance Company (collectively, the "Sureties"). As of the Petition Date, the Debtors collectively maintain approximately two surety bonds in the aggregate amount of approximately \$525,000 (the "Surety Bonds"). The premiums related to the Surety Bond Program generally are determined on an annual basis, and are paid by the Debtors when the bonds are issued and annually upon each renewal (the "Surety Premiums," together with the Insurance Premiums, the "Premium Payments"). The Debtors believe they are current on all Surety Premium payments and will pay any outstanding amounts as they come due in the ordinary course of business. The total estimated Surety Premiums for the Surety Bonds is approximately \$225 per year. The Debtors request authority to continue paying the Surety Premiums in the ordinary course of business on a postpetition basis, including any prepetition obligations related thereto, to ensure uninterrupted coverage under the Surety Bond Program.

174. The Debtors obtain their Surety Bonds through their surety broker, The Whitmore Group (the "Surety Broker"). The Surety Broker assists the Debtors in, among other things, obtaining the Surety Bonds and evaluating bond offerings. They also assist the Debtors with the procurement and negotiation of the Surety Bonds, enabling the Debtors to obtain the bonds on advantageous terms and at competitive rates. The Debtors pay the Surety Broker a fee for all brokerage services (the "Surety Brokerage Fees"). The Debtors pay the Surety Brokerage Fees

on account of brokerage services as part of the Surety Premium payments for each Surety Bond. As of the Petition Date, the Debtors do not believe there are any unpaid prepetition obligations due and owing in connection with the Surety Brokerage Fees. Out of an abundance of caution, however, the Debtors seek authority to honor any prepetition amounts owed in connection with the Surety Brokerage Fees and to pay any Surety Brokerage Fees that may arise on a postpetition basis in the ordinary course of business to ensure uninterrupted coverage under the Surety Bond Program.

175. The purpose of the Surety Bonds is to shift the risk of the Debtors' nonperformance or nonpayment from the Debtors to a surety, subject to the terms of the bond. A surety bond is unlike an insurance policy in that if a surety incurs a loss or expense in relation to a surety bond, such surety is entitled to recover the full amount of that loss or expense from the principal and contractual indemnitors (i.e., the applicable Debtor). To that end, the Sureties may require the Debtors to furnish the Sureties with cash collateral or other collateral, such as letters of credit, to back the Surety Bonds and effectively indemnify any loss, cost, or expense it may incur on account of the issuance of the Surety Bonds.

176. To continue their business operations during these Chapter 11 Cases, the Debtors must be able to provide financial assurance to state governments, regulatory agencies, contract counterparties, and other third parties. This in turn requires the Debtors to maintain the existing Surety Bond Program, including, without limitation: (a) paying Surety Premiums as they come due; (b) renewing or potentially acquiring additional bonding capacity, as necessary, in the ordinary course of business; (c) requesting releases from duplicate bonding obligations; (d) canceling, revising, and/or supplementing Surety Bonds; (e) renewing, supplementing, and/or canceling letters of credit or other forms of collateral as may be necessary; (f) paying Surety

Brokerage Fees as they come due; (g) providing collateral and complying with collateral and indemnity requirements in the ordinary course of business; (h) replacing the Surety Broker as may be necessary; and (i) executing other agreements in connection with the Surety Bond Program. Accordingly, the Debtors request authority to honor any amounts owed on account of the Surety Bond Program, continue the Surety Bond Program in the ordinary course of business, and continue acquiring additional bonds to ensure that the Surety Bond Program and the Debtors' business operations remain uninterrupted on a postpetition basis.

177. Here, the Debtors seek only to maintain their existing Insurance Policies and Surety Bond Program, and honor their obligations related thereto in the ordinary course of their prepetition business on a postpetition basis. Such obligations include, among other things, renewing the Insurance Policies and Surety Bond Program when they expire, and paying the premiums when they come due. Further, the Insurance Policies and Surety Bond Program cover obligations that are required by law or regulation, as described above.

178. I believe the failure to pay Insurance Expenses, Surety Premiums, Insurance Brokerage Fees, and related insurance expenses when due may harm the Debtors' estates in a number of ways. If the Insurance Policies are allowed to lapse or terminate, the Debtors could be exposed to substantial liability for damages resulting to persons and property of the Debtors and others, which exposure could have an extremely negative impact on the value of the Debtors' businesses. The Debtors would then be required to obtain replacement policies on an expedited basis at what would likely be a significantly higher cost to their estates. Additionally, the Insurance Carriers could attempt to terminate the Debtors' existing policies, which could threaten the Debtors' ability to continue operating their businesses given the Debtors' myriad regulatory and contractual obligations to maintain specific amounts and types of insurance coverage. Furthermore, I

understand that in many instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the requirement of the U.S. Trustee that a debtor maintain adequate coverage given the circumstances of its chapter 11 case.

179. Therefore, I believe in the best interests of their estates to have the ability to revise, extend, supplement, or change insurance coverage, as necessary, on a postpetition basis. Indeed, the Debtors' Insurance Policies and Surety Bond Program are essential to the preservation of the value of the Debtors' businesses, properties, and assets and their ability to successfully administer these Chapter 11 Cases.

(x) *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing but Not Directing Debtors to Pay Prepetition Taxes and Fees (II) Authorizing Applicable Banks and Other Financial Institutions to Honor and Process Related Checks and (III) Granting Related Relief (the "Taxes and Fees Motion")*

180. Pursuant to the Taxes and Fees Motion, the Debtors seek entry of an order (a) authorizing, but not directing, the Debtors, in their sole discretion, to pay (or use tax credits to offset) the Taxes and Fees (as defined below), and (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers. In the ordinary course of business, the Debtors collect, withhold and incur various sales, use, income, franchise, property, intellectual property, foreign, heavy vehicle use, fuel, commercial activity, import and customs and other taxes, duties, fees and other expenses, including tax administration obligations (collectively, the "Taxes and Fees"). The Debtors remit the Taxes and Fees to various foreign and domestic, federal, state and local government entities, service providers or tax administrators

(collectively, the “Taxing Authorities”). The Debtors estimate that as of the Petition Date, they owe the following amounts for each category of Taxes and Fees:

Category	Description	Approximate Amount Accrued and Unpaid as of the Petition Date
Sales and Use Taxes	In the ordinary course of business, the Debtors incur, collect and remit domestic sales, goods, state and service taxes, and other similar taxes to various Taxing Authorities in connection with the operations of the Debtors’ business and sale and distribution of products (the “ <u>Sales Taxes</u> ”).	\$15,488.39, approximately \$5,423.00 of which is or will become due and payable within the first 30 days of these chapter 11 cases.
State and Local Franchise Taxes	The Debtors are also required to pay state and local franchise taxes or fees in certain taxing jurisdictions (collectively, the “ <u>Franchise Taxes</u> ”). Franchise Taxes are typically assessed by Taxing Authorities against the applicable business for the privilege of doing business within a particular jurisdiction. The Franchise Taxes paid by the Debtors are based on statutory requirements of the jurisdictions in which they conduct business. Certain jurisdictions assess both Franchise Taxes and Income Taxes, while others assess either Franchise Taxes or Income Taxes depending on which results in a higher tax. Other Taxing Authorities assess only Income Taxes or only Franchise Taxes.	\$35,798.40, approximately \$7,286.40 of which is or will become due and payable within the first 30 days of these chapter 11 cases.
Total		\$51,286.79

181. The amounts of the Taxes and Fees listed above are good faith estimates based on the Debtors’ books and records and remain subject to potential audits and other adjustments. Based upon these estimates and the projected timing of when the Taxes and Fees are likely to come due, the Debtors are requesting authority to pay the above prepetition Taxes and Fees, which includes (a) Taxes and Fees accrued or incurred prepetition but not paid prepetition, or paid in an amount less than actually owed, (b) payments made prepetition by the Debtors that were lost or otherwise not received in full by any of the Taxing Authorities, and (c) Taxes and Fees incurred for prepetition periods that become due after the commencement of these Chapter 11 Cases.

182. I believe that any failure by the Debtors to pay the Taxes and Fees could materially disrupt the Debtors' business operations. *First*, I am advised that failing to pay certain of the Taxes and Fees likely would cause the Debtors to lose their ability to conduct business in certain jurisdictions. *Second*, I have been informed that the Taxing Authorities could initiate audits, suspend operations, file liens, or seek to lift the automatic stay, which would unnecessarily divert the Debtors' attention from the reorganization process. *Third*, I have also been advised that failing to pay Taxes and Fees could potentially subject certain of the Debtors' directors and officers to claims of personal liability, which likely would distract those key persons from their duties related to the Debtors' restructuring. *Fourth*, I have also been informed that unpaid Taxes and Fees may result in penalties, the accrual of interest, or both, which could negatively impact the Debtors' business or the reorganization process, and that the Debtors collect certain taxes from third parties on behalf of Taxing Authorities, which must be held in trust for the benefit of the Taxing Authorities. I believe the relief requested in the Taxes and Fees Motion is in the best interests of the Debtors' estates, their creditors and all other parties-in-interest and will enable the Debtors to continue to operate their business in chapter 11 without disruption.

(xi) *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay the Prepetition Claims of Certain Foreign Vendors (the "Foreign Vendor Motion")*

183. In the ordinary course of business, the Debtors purchase services or goods or from vendors outside the United States that, as an actual or practical matter, may be the only supplier available to the Debtors (the "Foreign Vendors") These goods or services, are essential for the Debtors to continue to provide quality products with the level of service their customers expect. It is imperative that the Debtors obtain authority to make payments to key Foreign Vendors to

preserve the Debtors' business. The Debtors' business cannot function without the mostly services and supplies provided by vendors that are not readily replaceable.

184. Foreign Vendors often have guarded reactions to the U.S. bankruptcy process and are unfamiliar or uncomfortable with the unique debtor in possession mechanism that is at the heart of chapter 11. A debtor seeking to explain this system and convince a Foreign Vendor, particularly an unsophisticated one, to continue shipment postpetition often is greeted with a high degree of skepticism and mistrust. Indeed, a risk exists that the nonpayment of a single invoice could cause a Foreign Vendor to completely sever its business relationship with the Debtors. Short of that, nonpayment of prepetition claims may cause the Foreign Vendors to utilize extreme caution and adopt a "wait-and-see attitude" in approaching the unfamiliar territory of chapter 11, resulting in costly delays in the shipment of additional goods.

185. In light of the potential for serious consequences if the Foreign Vendors do not continue to make uninterrupted and timely provision of crucial services or goods—and the lack of any workable enforcement mechanism against these parties—the Debtors have determined, in the exercise of their business judgment, that payment of certain of the Foreign Vendors' prepetition claims (as well as any foreign taxes, import/export fees, customs fees, or duties related to such claims) (collectively, the "Foreign Vendor Claims") is essential to avoid costly disruptions to the Debtors' operations and to preserve their business as a going concern. The Debtors will evaluate requests for payment by Foreign Vendors and only intend to pay such claimants whose continued services are critical to preserving the value of the Debtors' estates. Although it is difficult to precisely calculate the amounts due and owing at any given moment, the Debtors estimate that the prepetition outstanding amounts owed to Foreign Vendors essential to the preservation of the estates is approximately \$972,000 as of the Petition Date. Not all of the Debtors' foreign vendors,

suppliers and service providers were determined to be critical, however. Pursuant to the authority sought herein, the Debtors identified as critical only those Foreign Vendors with whom the Debtors intend to continue business, and whose cooperation is essential for the Debtors' ability to effectively operate.

186. As of the Petition Date, the Debtors estimate that they owed approximately \$9.6 million in the aggregate on account of Foreign Vendor Claims. The Debtors, in their business judgment, estimate that approximately \$972,000 of the total amount of Foreign Vendor Claims will need to be paid prior to entry of the Final Order, presuming such Order is entered approximately 30 days following the Petition Date. Accordingly, the Debtors request authorization, but not direction, to pay outstanding prepetition obligations on account of Foreign Vendor Claims, not to exceed \$628,000 on an interim basis and \$972,000 on a final basis, but only as such amounts come due in the ordinary course of business or as may be necessary to secure a vendor's agreement to continue business with the Debtors on Trade Terms (as defined above), and when necessary memorialized in a Trade Agreement.

(xii) Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sales of Debtors' Assets, (B) Approving Stalking Horse Bid Protections, (C) Authorizing Designation of Additional Stalking Horse Bidders, (D) Scheduling Auctions for and Hearings to Approve Sales of Debtors' Assets, (E) Approving Form and Manner of Notice of Sales, Auctions, Sale Hearings, (F) Approving of Assumption and Assignment Procedures and Form and Manner of Notice of Assumption and Assignment, and (G) Granting Related Relief; and (II)(A) Authorizing Sale of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief (the "Bidding Procedures and Sale Motion")

187. The Debtors hired financial and legal restructuring advisors, including FTI, to aid the Debtors and the Board's independent directors in exploring all potential paths forward while simultaneously seeking to reestablish access to more favorable capital markets. The Debtors'

Board and management have evaluated a wide range of strategic alternatives to address the Debtors' near and long-term liquidity and operational needs, including an equity raise, refinancing the Debtors' existing credit facilities to obtain additional funds, asset sales of the Debtors' various business lines, a sale of the Debtors' entire business, a merger of the Debtors with a strategic partner, and a stand-alone reorganization through an in-court proceeding.

188. After numerous discussions with potential lenders and acquirers (of any and all assets and operating divisions of the Debtors), it became evident that none of these parties were willing to provide the critical funding necessary to sustain the Debtors' operations outside of a bankruptcy process, nor would they acquire the Debtors or a material portion of its assets without the protections afforded an acquirer pursuant to a sale conducted under section 363 of the Bankruptcy Code.

189. Prior to the Petition Date, the Debtors' management and advisors concluded that a sale of the Debtors as a going-concern would be the best path forward for the Debtors and their stakeholders.

190. Beginning in April 2021, the Debtors initiated a comprehensive marketing process to sell their assets on a going-concern basis, or to consummate another strategic, value-maximizing transaction that would resolve the Debtors' operational and financial challenges. To that end, the Debtors retained FTI to serve as its investment banker and to design and execute an "M&A" process for its different business lines. In total, FTI contacted 210 entities, including 112 potential strategic buyers and 98 financial buyers. Based on expressions of interests, FTI provided parties with teaser information regarding the Debtors' businesses. Of those parties, 56 entities, including the Stalking Horse Bidder, expressed serious interest in consummating a transaction with the Debtors and executed non-disclosure agreements ("NDAs"). Those who executed NDAs were

granted access to a data room containing additional confidential information regarding the Assets. FTI assisted in the due diligence process for multiple interested parties and sent out process letters to 8 parties who remained interested in Pareteum's assets as of December 2021. As a result of the marketing work of the Debtors and FTI, 10 parties submitted indications of interest or term sheets.

191. After extensive deliberations with its advisors, and several rounds of negotiations with interested parties, the Debtors elected to pursue the Stalking Horse Bid. In reaching the decision to proceed with the Stalking Horse Bid, the Company determined that, of all the bids received by the Debtors before it became necessary to execute a binding asset purchase agreement, the Stalking Horse Bid offered a combination of the best value for the Stalking Horse Package and the greatest level of deal certainty. The Stalking Horse Bidders have committed significant capital to the Debtors in the form of a prepetition bridge loan and agreement to act as DIP Lender pending a sale.

192. The proposed Bidding Procedures provide for an orderly, uniform, and competitive process through which interested parties may submit offers to purchase the Debtors' Assets. The Debtors, with the assistance of their advisors, have structured the Bidding Procedures to promote active bidding by interested parties and to reach the highest or otherwise best offer reasonably available for the Debtors' Assets. Additionally, the Bidding Procedures will allow the Debtors to conduct the Auction, if necessary, in a fair and transparent manner that will encourage participation by financially capable bidders with demonstrated ability to timely consummate a Sale Transaction. The Bidding Procedures provide the Debtors with an adequate opportunity to consider competing bids and to select the highest or otherwise best offers for the potential completion of a Sale Transaction.

193. Timing in this Chapter 11 Case is critical. On July 12, 2022, the Debtors' liability insurance policy for its directors and officers will expire, and the Debtors do not have the approximately \$1.6 million it will cost to extend the policy for a mere three months. If a sale to the Stalking Horse Bidder or another Successful Bidder does not close by that expiration date, the Debtors' management and directors cannot be expected to continue to serve, and the Debtors will be left without the ability to consummate a transaction. This would result in a meltdown in the value of the Assets to the detriment of the Debtors' creditors, customers, millions of users, hundreds of employees and other stakeholders.

194. Given the significant costs associated with the ongoing operations of the Debtors' businesses and the Debtors' current financial condition, and the expiration of the Debtors' directors and officers liability insurance on July 12, 2022, the DIP Lenders established strict timeline milestones that will govern the Debtors' sale process. In my opinion, the Debtors need these interim timelines to be able to close a sale by the July 12 insurance expiry date and minimize potential disruptions to the business. The business would benefit significantly from being able to operate on a go-forward basis as quickly as possible.

195. The Stalking Horse Bid Protections (as defined in the Sale Motion) are fair and reasonable. These protections were only offered after good faith, arms-length negotiations with the Debtors who were acting in the interest of their estates, consistent with their fiduciary duties. These protections, individually and collectively, were a material inducement for, and condition of, the Stalking Horse Bidder's entry into the Stalking Horse Agreement. The Stalking Horse Bidders, which expended significant resources in connection with its legal, financial and operational due diligence, expressed unwillingness to hold open their offer without assurance of payment of the

break-up fee and expense reimbursement under the conditions set forth in the Stalking Horse Agreement.

V. Information Required by Local Bankruptcy Rule 1007-2

196. Local Rule 1007-2 requires certain information related to the Debtors, which I have provided in the exhibits attached hereto as Exhibits A through M.

- Pursuant to Local Rule 1007-2(a)(3), Exhibit B provides that, to the best of the Debtors' knowledge and belief, prior to the Petition Date there were no committees formed to participate in the Debtors' ongoing restructuring efforts.
- Pursuant to Local Rule 1007-2(a)(4), Exhibit C lists, for each of the holders of the twenty largest unsecured claims on a consolidated basis, the name, address, telephone number, email address, the name(s) of person(s) familiar with the Debtors' account, the amount of the claim, and an indication of whether the claim is contingent, unliquidated, disputed or partially secured.
- Pursuant to Local Rule 1007-2(a)(5), Exhibit D lists, for each of the holders of the five largest secured claims on a consolidated basis the name, the address, the amount of the claim, a brief description, and an estimate of the value of the collateral securing the claims, and whether the claim or lien is disputed.
- Pursuant to Local Rule 1007-2(a)(6), Exhibit E provides a summary of the Debtors' assets and liabilities.
- Pursuant to Local Rule 1007-2(a)(7), Exhibit F provides a summary of the publicly held securities of the Debtors.
- Pursuant to Local Rule 1007-2(a)(8), Exhibit G provides the following information with respect to any property in possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditors, or agent for such entity: the name; address; and telephone number of such entity and the court in which any proceeding relating thereto is pending.
- Pursuant to Local Rule 1007-2(a)(9), Exhibit H lists all of the premises owned, leased, or held under other arrangement from which the Debtors' operate their business.
- Pursuant to Local Rule 1007-2(a)(10), Exhibit I provides the location of the Debtors' substantial assets, the location of its books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

- Pursuant to Local Rule 1007-2(a)(11), Exhibit J provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment or seizure of their property may be imminent.
- Pursuant to Local Rule 1007-2(a)(12), Exhibit K sets forth a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.
- Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), Exhibit L provides the estimated amount of payroll to the Debtors' employees (not including officers, directors, stockholders, and partners), the estimated amounts to be paid to officers, directors, stockholders, and partners, and the estimated amounts to be paid to financial and business consultants retained by the Debtors, for the 30-day period following the Petition Date.
- Pursuant to Local Rule 1007-2(b)(3), Exhibit M provides a schedule for the 30-day period following the Petition Date, of estimated cash receipts and disbursements, net gain, or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, and any other information relevant to understanding the foregoing.

Dated: May 15, 2022
New York, New York

Respectfully submitted,

/s/Laura W. Thomas
Laura W. Thomas

Exhibit A

Corporate Organization Chart

Pareteum Organisation Structure

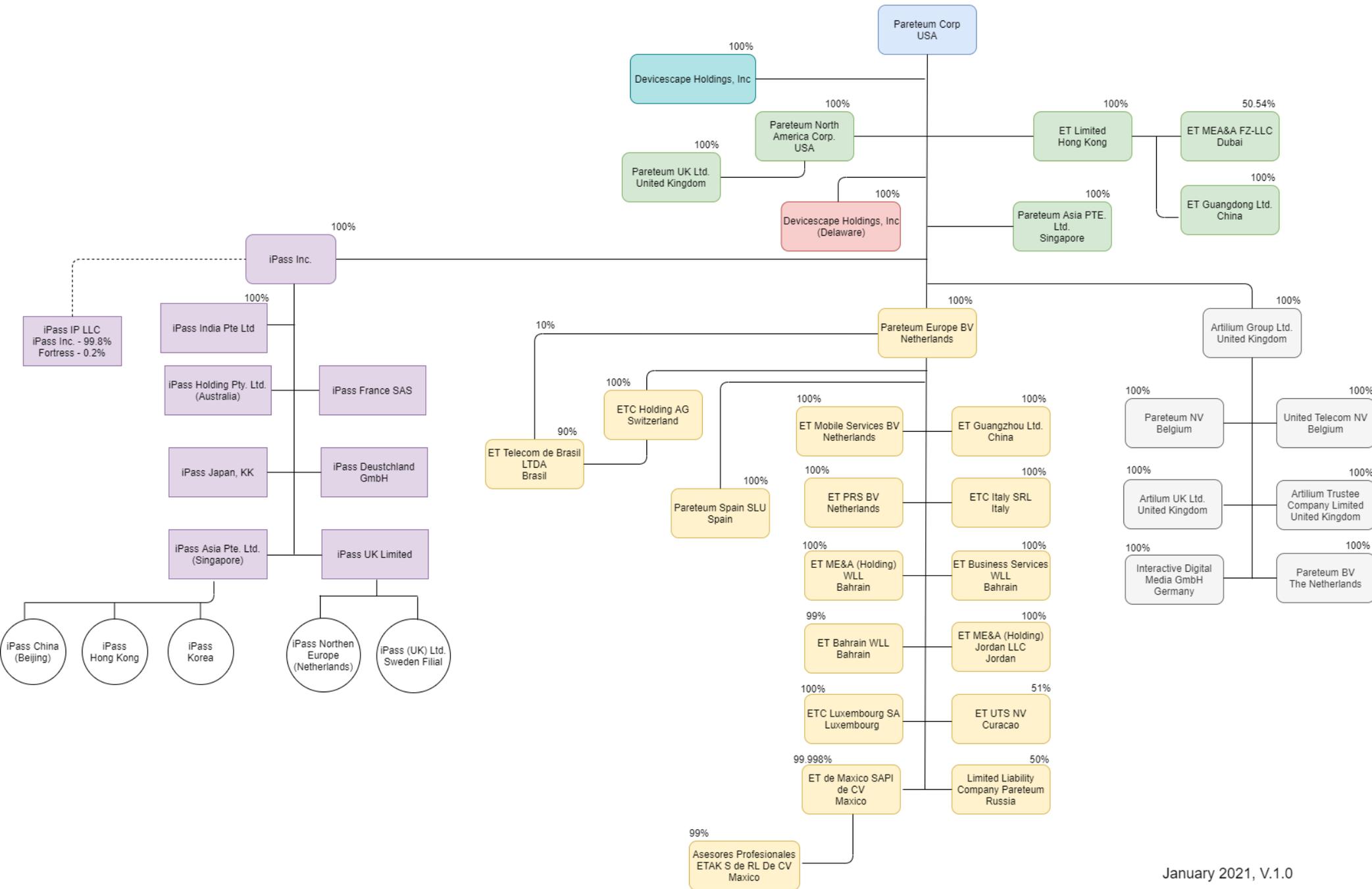


Exhibit B

Pursuant to Local Rule 1007-2(a)(3) there were no committees formed to participate in the Debtors' ongoing restructuring efforts.

Exhibit C

List of Holders of 30 Largest Unsecured Claims

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Joint Administration Requested)

**CONSOLIDATED LIST OF CREDITORS
HOLDING 30 LARGEST UNSECURED CLAIMS**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code. The following is the consolidated list of the Debtors’ creditors holding the 30 largest non-contingent unsecured claims (the “Consolidated List”) based on the Debtors’ books and records as of approximately May 15, 2022. The Consolidated List is prepared in accordance with rule 1007(d) of the Federal Rules of Bankruptcy Procedure for filing in these chapter 11 cases. The Consolidated List does not include (a) persons who come within the definition of “insider” set forth in 11 U.S.C. § 101(31) or (b) secured creditors. None of these creditors are minor children. The information contained herein shall neither constitute an admission of liability by, nor is it binding on, the Debtors. The information herein, including the failure of the Debtors to list any claim as contingent, unliquidated or disputed, does not constitute a waiver of the Debtors’ right to contest the validity, priority or amount of any claim.

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.

DECLARATION UNDER PENALTY OF PERJURY:

I, the undersigned on behalf of the Debtors, declare under penalty of perjury that I have read the foregoing List of Creditors Holding 30 Largest Unsecured Claims and are not Insiders, and that the list is true and correct to the best of my information and belief.

Dated: New York, New York
May 15, 2022

/s/Laura W. Thomas

By: Laura W. Thomas

Title: Interim Chief Financial Officer

Fill in this information to identify the case:
 Debtor name: Pareteum Corporation, et al.
 United States Bankruptcy Court for the Southern District of New York
 Case number (if known):

Check if this is an amended filing

Official Form 204
Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	AT&T MOBILITY JEREMIAH HILLMAN 2900 W. PLANO PARKWAY PLANO, TX 75075	JEREMIAH HILLMAN PHONE: 502-657-9880 EMAIL: JH8670@ATT.COM	TRADE DEBT	DISPUTED			\$3,410,578.91
2	GOGO LLC. MAURA LEVINE-PATTON 111 N. CANAL STREET, SUITE 1500 CHICAGO, IL 60606	MAURA LEVINE-PATTON PHONE: 312-624-6368 EMAIL: MLEVINE-PATTON@BENESCHLAW.COM	TRADE DEBT				\$2,380,129.67
3	T-MOBILE GERMANY ANNIKA MICHELS POSTFACH 300 330 BONN, 53183 GERMANY	ANNIKA MICHELS PHONE: 49-6151-5822326 EMAIL: ANNIKA.MICHELS@TELEKOM.DE	TRADE DEBT				\$1,648,519.41
4	CHANNEL VENTURES GROUP, LLC MARKWIN MARING & M. KLOOSTERMAN OSAKASTRAAT 10 ROTTERDAM, 3047 AK NETHERLANDS	MARKWIN MARING & M. KLOOSTERMAN PHONE: 31-651582511 EMAIL: M.MARING@CHANNELHOLDING.COM; M.KLOOSTERMAN@CHANNELHOLDING.COM	UNSECURED NOTE				\$1,440,000.00
5	PANASONIC AVIONICS CORPORATION RAFAEL PULIDO TAX DEPARTMENT 11TH FLOOR TWO RIVERFRONT PLAZA NEWARK, NJ 07102	RAFAEL PULIDO PHONE: 949-595-5168 EMAIL: RAFAEL.PULIDO@PANASONIC.AERO	TRADE DEBT				\$895,794.49
6	T-MOBILE IN-FLIGHT WIFI ANNIKA MICHELS LANDGRABENWEG 151 BONN, 53227 GERMANY	ANNIKA MICHELS PHONE: 49-6151-5822326 EMAIL: ANNIKA.MICHELS@TELEKOM.DE	TRADE DEBT				\$889,528.30
7	T-MOBILE LUFTHANSA EUROPE ANNIKA MICHELS 3800 BRIDGE PKWY REDWOOD CITY, CA 94065	ANNIKA MICHELS PHONE: 49-6151-5822326 EMAIL: ANNIKA.MICHELS@TELEKOM.DE	TRADE DEBT				\$590,612.92
8	BAKER TILLY US, LLP CHRISTOPHER KROGH 11150 SANTA MONICA BLVD, STE 600 LOS ANGELES, CA 90025	CHRISTOPHER KROGH PHONE: 310-826-4474 EMAIL: CHRISTOPHER.KROGH@BAKERTILLY.COM	TRADE DEBT				\$529,250.00
9	UNITED AIRLINES, INC. GRAY, JACQUELINE 233 SOUTH WACKER DRIVE CHICAGO, IL 60606	GRAY, JACQUELINE PHONE: 346-265-3053 EMAIL: JACQUELINE.GRAY@UNITED.COM	TRADE DEBT				\$514,796.76
10	RIMINI STREET, INC. DANIEL B. WINSLOW, EVP, CHIEF LEGAL OFFICER AND SECRETARY 3993 HOWARD HUGHES PARKWAY, SUITE 500 LAS VEGAS, NV 89169	DANIEL B. WINSLOW, EVP, CHIEF LEGAL OFFICER AND SECRETARY PHONE: 925-264-7736 EMAIL: DWINSLOW@RIMINISTREET.COM	TRADE DEBT	DISPUTED			\$416,754.00
11	BT OPENZONE WIFI PREMIUM ROB PAYNE, SALES DIRECTOR BT WI-FI 81 NEWGATE STREET LONDON, EC1A 7AJ UNITED KINGDOM	ROB PAYNE, SALES DIRECTOR BT WI-FI PHONE: 44-0-7860-547836 EMAIL: ROB.PAYNE@BT.COM	TRADE DEBT				\$412,721.44
12	SPECTRUM INTERACTIVE PLC RONAK DALAL, STEVE ELLIS 27 MELCOMBE STREET LONDON, NW1 6AG GREAT BRITAIN	RONAK DALAL, STEVE ELLIS PHONE: 44-0-1442-205-515; 44-0-1442-205-509; 44-0-1442-205-505 EMAIL: RONAK.DALAL@SPECTRUMINTERACTIVE.CO.UK; STEVE ELLIS@SPECTRUMINTERACTIVE.CO.UK	TRADE DEBT				\$371,056.20

Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
13 FON WIRELESS LIMITED LUCIA MIRONES CALLE QUINTANAVIDES 15, EDIFICIO 2, PLANTA 1 MADRID, 28050 SPAIN	LUCIA MIRONES PHONE: 34-626121157 EMAIL: LUCIA.MIRONES@FON.COM	TRADE DEBT				\$335,793.08
14 EPIQ SYSTEMS LTD DANNY HAZELTINE; ELLIOTT MURA 77 MARSH WALL, 5TH FLOOR LONDON, E14 9SH UNITED KINGDOM	DANNY HAZELTINE; ELLIOTT MURA PHONE: 44-0-20-7367-9186; 44-0-20-7367-9119; 1-913-804-8420 EMAIL: DHAZELTINE@EPIQGLOBAL.CO.UK; EMURA@EPIQGLOBAL.COM	TRADE DEBT				\$331,270.96
15 RSM US LLP ROB FRATTASIO 80 CITY SQUARE BOSTON, MA 02129	ROB FRATTASIO PHONE: 617-912-9000 EMAIL: ROB.FRATTASIO@RSMUS.COM	TRADE DEBT				\$326,179.78
16 DATABRICKS INC. DAVID CONTE, CFO; DAKOTA MCKENZIE 160 SPEAR STREET, FLOOR 13 SAN FRANCISCO, CA 94105	DAVID CONTE, CFO; DAKOTA MCKENZIE PHONE: 866-330-0121; 603-512-1219 EMAIL: DAKOTA@DATABRICKS.COM	TRADE DEBT	DISPUTED			\$308,280.00
17 COMCAST CABLE COMMUNICATIONS REAGAN EVANS 1701 JFK BLVD. PHILADELPHIA, PA 19103	REAGAN EVANS PHONE: 512-571-0518 EMAIL: REAGAN_EVANS@COMCAST.COM	TRADE DEBT				\$301,990.66
18 WIRE AND WIRELESS CO. KAORU SCHICHIJO 3-13-3 SHIBAURA MINATO-KU TOKYO, JAPAN	KAORU SCHICHIJO PHONE: 81-3-3453-605 EMAIL: SHICHIJO@WI2.CO.JP	TRADE DEBT				\$286,702.05
19 COOLEY, LLP ALPAY, RALPH RYAN MONZOR, CLIENT ACCOUNT ADMINISTRATIVE ASSISTANT 3 EMBARCADERO CENTER, 20TH FLOOR SAN FRANCISCO, CA 94111-4004	ALPAY, RALPH RYAN MONZOR, CLIENT ACCOUNT ADMINISTRATIVE ASSISTANT PHONE: 415-693-2000 EMAIL: RALPAY@COOLEY.COM	TRADE DEBT				\$262,864.10
20 T-MOBILE NETHERLANDS B.V. (DTAG) ZB WALDERVEEN, HUUB VAN HET WALDORPSTRAAT 60 2521 CC DEN HAAG, 2500 BG NETHERLANDS	WALDERVEEN, HUUB VAN HET EMAIL: HUUB.VAN.HET.WALDERVEEN@T-MOBILE.NL	TRADE DEBT	DISPUTED (counter-claim)			\$262,361.09
21 MCGUIREWOODS (BAU) STEPHEN OLDER 800 E. CANAL STREET RICHMOND, VA 23219-3916	STEPHEN OLDER PHONE: 212-548-2122 EMAIL: SOLDER@MCGUIREWOODS.COM	LEGAL FEES	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
22 PARETEUM SHAREHOLDER INVESTOR GROUP- LEAD KIM E. MILLER KAHN SWICK & FOTI, LLC 250 PARK AVENUE, 7TH FLOOR NEW YORK, NY 10177	KIM E. MILLER PHONE: 212-696-3730 EMAIL: KIM.MILLER@KSFCONSEL.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
23 DOUGLAS LOSKOT JEFFREY F. KELLER KELLER GROVER LLP 1965 MARKET STREET SAN FRANCISCO, CA 94103	JEFFREY F. KELLER PHONE: 415-543-1305 EMAIL: JFKELLER@KELLERGROVER.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
24 WILLIAM MILLER EX REL. PARETEUM CORPORATION THOMAS G. AMON LAW OFFICE OF THOMAS G AMON 420 LEXINGTON AVENUE, SUITE 1402 NEW YORK, NY 10170	THOMAS G. AMON PHONE: 212-810-2430 EMAIL: TAMON@AMONGLAW.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
25 WEI ZHANG EX REL. PARETEUM CORPORATION TIMOTHY BROWN THE BROWN LAW FIRM, P.C. 240 TOWNSEND SQUARE OYSTER BAY, NY 11771	TIMOTHY BROWN PHONE: 516-922-5427 EMAIL: TBROWN@THEBROWNLAWFIRM.NET	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
26 MICHAEL SHAW EX. REL. PARETEUM CORPORATION THOMAS J. MCKENNA; GREGORY M. EGGLESTON GAINNEY MCKENNA & EGESTON 501 FIFTH AVENUE, 19TH FLOOR NEW YORK, NY 10017	THOMAS J. MCKENNA; GREGORY M. EGGLESTON PHONE: 212-983-1300 EMAIL: TJMCKENNA@GME-LAW.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
27	EDWARD HAYES, JUANITA SILVERA, AND BRAD LINTON BENJAMIN ISAAC SACHS-MICHAELS; BRIAN E. FARNAN 919 N MARKET ST WILMINGTON, DE 19801	BENJAMIN ISAAC SACHS-MICHAELS; BRIAN E. FARNAN PHONE: 212-935-7400; 302-777-0300 EMAIL: BSACHSMICHAELS@GLANCYLAW.COM; BFARNAN@FARNANLAW.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
28	SABBY VOLATILITY WARRANT MASTER FUND, LTD BARRY R. LAX LAX NEVILLE 350 FIFTH AVENUE, SUITE 4640 NEW YORK, NY 10118	BARRY R. LAX PHONE: 212-696-1999 EMAIL: BLAX@LAXNEVILLE.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
29	GREGORY LACKEY GUSTAVO F. BRUCKER 600 THIRD AVENUE NEW YORK, NY 10016	GUSTAVO F. BRUCKER PHONE: 212-661-1100 EMAIL: GFBRUCKNER@POMLAW.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED
30	REUBEN HARMON PHILLIP KIM THE ROSEN LAW FIRM, P.A. 275 MADISON AVENUE, 40TH FLOOR NEW YORK, NY 10016	PHILLIP KIM PHONE: 212-686-1060 EMAIL: PKIM@ROSENLEGAL.COM	LITIGATION	CONTINGENT UNLIQUIDATED DISPUTED			UNLIQUIDATED

Exhibit D

Holders of the Debtors' Five Largest Secured Claims

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Jointly Administration Requested)

SCHEDULE OF CREDITORS HOLDING LARGEST SECURED CLAIMS

The following is the list of the creditors holding the largest secured claims against the Debtors, as of May 15, 2022.

This information has been prepared from the books and records of the Debtors, and in accordance with Bankruptcy Rule 1007(d), for filing in the Debtors' chapter 11 cases.

The information set forth herein shall not constitute an admission of liability by, nor is binding on, the Debtors and the failure to list a claim as contingent, disputed, or subject to set off shall not be a waiver of any of the Debtors' rights relating thereto.

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.

DECLARATION UNDER PENALTY OF PERJURY:

I, Laura W. Thomas, the undersigned authorized Person on behalf of the Debtors, declare under penalty of perjury that I have read the foregoing List of Creditors Holding the Largest Secured Claims and that the list is true and correct to the best of my information and belief.

Dated: New York, New York
May 15, 2022

By: /s/Laura W. Thomas
Name: Laura W. Thomas
Title: Interim Chief Financial Officer

PARETEUM CORP.

Consolidated List of the Top 5 Holders of Largest Secured Claims

	Creditor	Debtor	Contact, Mailing Address	Contact Name, Telephone Number, and Email Address	Nature of Claim	Amount of Claim ⁽¹⁾ in \$ unless otherwise noted	Collateral Description
1.	Circles MVNE Pte Ltd.	Pareteum Corporation	221 Henderson Road #06-10; Henderson Building; Singapore 159557; Attention: Legal	legal@circles.asia	Senior Secured Convertible Note	\$ 15,831,514.00	Lien on and security interest in all of such Grantor's right, title and interest in the properties and assets of the Company as defined in Section 3 of the Security Agreement.
2.	JFG Capital BV	Pareteum Corporation	Channel Ventures Group, LLC; Osakastraat 10, Rotterdam, 3047 AK Netherlands	Markwin Maring and M. Kloosterman; 31-651582511; mmaring@channelholding.com m.kloosterman@channelholding.com	Junior Secured Convertible Note	\$ 9,684,793.00	Lien on and security interest in all of such Grantor's right, title and interest in the properties and assets of the Company as defined in Section 3 of the Security Agreement.
3.	MR. J. DENIJS	Pareteum Corporation	Channel Ventures Group, LLC; Osakastraat 10, Rotterdam, 3047 AK Netherlands	Markwin Maring and M. Kloosterman; 31-651582511 mmaring@channelholding.com m.kloosterman@channelholding.com	Junior Secured Convertible Note	\$ 3,469,512.00	Lien on and security interest in all of such Grantor's right, title and interest in the properties and assets of the Company as defined in Section 3 of the Security Agreement.
4.	BMF de Kroes - Brinkers	Pareteum Corporation	Channel Ventures Group, LLC; Osakastraat 10, Rotterdam, 3047 AK Netherlands	Markwin Maring and M. Kloosterman; 31-651582511 mmaring@channelholding.com m.kloosterman@channelholding.com	Junior Secured Convertible Note	\$ 2,971,122.00	Lien on and security interest in all of such Grantor's right, title and interest in the properties and assets of the Company as defined in Section 3 of the Security Agreement.
5.	BMF de Kroes - Brinkers	Pareteum Corporation	Channel Ventures Group, LLC; Osakastraat 10, Rotterdam, 3047 AK Netherlands	Markwin Maring and M. Kloosterman; 31-651582511; mmaring@channelholding.com m.kloosterman@channelholding.com	Junior Secured Convertible Note	\$ 2,848,123.00	Lien on and security interest in all of such Grantor's right, title and interest in the properties and assets of the Company as defined in Section 3 of the Security Agreement.

Exhibit E

Summary of the Debtor's Assets and Liabilities

PARETEUM CORP.

Summary of the Debtors' Assets and Liabilities

Pursuant to Local Rule 1007-2(a)(6), the following are estimates of the Debtors' total assets and liabilities on a consolidated basis. The following financial data is the latest available information and reflects the Debtors' financial condition, as consolidated with their affiliated debtors and non-debtors as of the Petition Date.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any

Assets and Liabilities	Amount	
Total Assets (Book Value as of 2/28/22)	\$ 26,368,145	*
Total Liabilities (Book Value as of 2/28/22)	\$ 90,413,008	*

*Adjusted for intercompany balances between certain debtor and non-debtor entities (i.e., excludes all TEUM business unit intercompany balances) and eliminates intercompany balances between debtor entities.

Exhibit F

Summary of Publicly Held Securities of the Debtor

PARETEUM CORP.

Summary of the Publicly Held Securities of the Debtors

Number and classes of shares of stock, debentures or other securities of debtor that are publicly held, and number of holders thereof, listing separately those held by each of the debtor's officers and directors and the amounts so held;

Equity Security	Number of Shares Outstanding
Common Stock Outstanding	142,697,197

(As of Aug. 20, 2021)

Exhibit G

Summary of Debtors' Property Held by Third Parties

PARETEUM CORP.

Summary of the Debtors' Property Held by Third Parties

Pursuant to Local Rule 1007-2(a)(8), the following lists the Debtors' property, as of the Petition Date, that is in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, secured creditor, or agent for any such entity.

Debtor	Vendor	Street Address	City	State	Zip Code	Country
Pareteum Corporation	Celluphone LLC/Catalyst Business Solutions	6119 E Washington Blvd	Commerce	CA	90040	United States
Pareteum Corporation	P. R. Facilities Mangement Limited	Unit 1, HUnt end industrial estate Unit 1 Dunlop Rd	Redditch		B97 5XP	United Kingdom
Pareteum Europe BV	IDEMIA Germany GmbH	Konrad-Zuse-Ring 1	Flintbek		24220	Germany
Pareteum Corporation - USA	Emerge 212	1185 avenue of americas	New York City	NY	10036	United States
Pareteum Corporation - USA	InSync Outsourcing LLP	Unit no 1273-1274 Netaji subhash place	Delhi	N/A	110048	India
Pareteum Corporation - USA	Telecom Italia Sparkle S.p.A.	Via di Macchia Palocco 223	Rome	N/A	125	Italy
Pareteum Corporation - USA	Silicon Valley Bank (Restricted Cash)	3003 Tasman Dr.	Santa Clara	CA	95054	United States
Pareteum Corporation - USA	Kurtzman Carson Consultants LLC	1290 Avenue Of The Americas Ste 900	New York	NY	10104	United States
Pareteum Europe BV	A.G. du Pon Beheer B.V. & Wijoh N.V.	Hornweg, 7	Aalsmeer	N/A	1432 GD	Netherlands
Pareteum Europe BV	AQA Telecom Ltd.	Edison House 223-231 Old Marylebone Road	London	N/A	NW1 5QT	United Kingdom
Pareteum Europe BV	ABN-AMRO (Restricted Cash)	ABN Amro Corporate Headquarters Gustav Mahlerlaan 10	Amsterdam	N/A	1082 PP	Netherlands
Pareteum North America Corp - USA	Conecto LLC	2220 125th Street NW	Rice	MN	56367	United States
iPass Inc.	SEA (Societa Esercizi Aeroportuali)	Aeroporto Milano Linate	Segrate		20090	Italy

Exhibit H

Summary of Debtors' Premises from Which the Debtors Operates their Business

PARETEUM CORP.

Listing of Leased and Owned Properties

Pursuant to Local Rule 1007-2(a)(9), the following lists the property or premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

Debtor	Street Address	City	State	Zip/Postal Code	Country
Pareteum Europe BV	Stekkenbergweg 4	Amsterdam	N/A	1105 AJ	The Netherlands
Pareteum Corporation	800 Waterford Way, Suite 300	Miami	Florida	33126	United States
iPass Inc.	1033 Jefferson St	Atlanta	Georgia	30318	United States
iPass Inc.	2820 Northwestern Parkway	Santa Clara	California	95051	United States
Pareteum Europe BV	53 Buckingham Avenue	Slough, Berkshire	N/A	SL1 4PF	United Kingdom
Pareteum NV	Brugsestraat 196/1	Oostkamp	N/A	8020 Oostkamp	Belgium
Pareteum Corporation	1185 Avenue of the Americas, 3rd Floor	New York	New York	10036	United States
Pareteum Europe BV	Hornweg 7	Aalsmeer	N/A	1432 GD	The Netherlands
Pareteum N.V.	Amerstraat 147/5	Aaeschoot	N/A	3200 Aaeschoot	Belgium
Pareteum NV	Vaardijkstraat 19 D	Brugge	N/A	8200	Belgium

Exhibit I

**Location of Debtors' Substantial Assets, Books and Records,
and Nature and Location of Debtors' Assets Outside the United States**

PARETEUM CORP.

Location of Debtors' Substantial Assets

Books and Records

The Debtors' books and records are located at 1185 Avenue of the Americas, 3rd Floor New York, NY 10036

City	State	Country	Entity	Asset Type
Amsterdam	N/A	The Netherlands	Pareteum Europe BV	Telecommunications and computing equipment
Miami	Florida	United States	Pareteum Corporation	Telecommunications and computing equipment
Atlanta	Georgia	United States	iPass Inc.	Telecommunications and computing equipment
Santa Clara	California	United States	iPass Inc.	Telecommunications and computing equipment
Slough, Berkshire	N/A	United Kingdom	Pareteum Europe BV	Telecommunications and computing equipment
Oostkamp	N/A	Belgium	Pareteum NV	Telecommunications and computing equipment
Haarlem	N/A	The Netherlands	Pareteum B.V.	Telecommunications and computing equipment
New York	New York	United States	Pareteum Corporation	Office and computing equipment
Aalsmeer	N/A	The Netherlands	Pareteum Europe BV	Office and computing equipment
Aeschot	N/A	Belgium	Pareteum NV	Office
Semarang	N/A	Indonesia	Artidium Indonesia - Representative branch of Pareteum BV in Indonesia	Office
Veenendaal	N/A	The Netherlands	Pareteum B.V.	Office

Exhibit J

Schedule of Pending Litigation

PARETEUM CORP.

Summary of Legal Actions Against the Debtors

Entity	Counterparty	Nature of the Claim	Status
Pareteum Corporation	Kahn Swick & Foti, LLC (Pareteum Shareholder Investor Group-Lead)	Putative Class Action	Pending
Pareteum Corporation	Douglas Loskot	Putative Class Action	Pending
Pareteum Corporation	William Miller ex rel. Pareteum Corporation	Derivative Litigation	Pending
Pareteum Corporation	Wei Zhang ex rel. Pareteum Corporation	Derivative Litigation	Pending
Pareteum Corporation	Michael Shaw ex. rel. Pareteum Corporation	Derivative Litigation	Pending
Pareteum Corporation	Edward Hayes, Juanita Silvera, and Brad Linton	Shareholder Derivative litigation	Pending
Pareteum Corporation	Sabby Volatility Warrant Master Fund, Ltd	Securities Litigation	Pending
Pareteum Corporation	Gregory Lackey	Fiduciary Duties Breach	Pending
Pareteum Corporation	Reuben Harmon	Fiduciary Duties Breach	Pending
Pareteum Corporation	Tristar Africa Telecom, LLC	Civil Litigation	Judgement Entered
Pareteum Corporation (Elephant	Stephen Brown	Civil Litigation	Pending
iPass, Inc.	China Mobile International Ltd	Breach of Contract	Pending
iPass, Inc.	Deutsche Telekom A.G. ("DTAG")	Breach of Contract	Pending
iPass, Inc.	Robert "Hal" Turner	Breach of Contract	Pending
Pareteum Corporation	Beckford Huss	Breach of Contract	Pending
Pareteum Corporation	To The Moon	Breach of Contract	Pending
Pareteum Corporation	Ltd. Telroaming Advanced Communication Solution	Breach of Contract	Pending
Pareteum Corporation	KPN B.V.	Breach of Contract	Pending
Pareteum N.V.	Hub One	Breach of Contract	Unknown
iPass, Inc.	Intelsat Inflight LLC f/k/a Gogo LLC	Breach of Contract	Judgement Entered
Pareteum Corporation	Tech Data Corp.	Breach of Contract	Judgement Entered
iPass, Inc.	Deutsche Telekom AG	Breach of Contract	Judgement Entered
Pareteum Corporation	De Lage Landen Financial Services, Inc.	Breach of Contract	Judgement Entered

Exhibit K

Senior Management of the Debtors

PARETEUM CORP.

Executive Management

Name & Position	Responsibilities & Experience
<p>Bart Weijermars, Interim Chief Executive Officer and Chief Strategy Officer</p>	<p>As Interim Chief Executive Officer and Chief Strategy Officer, Bart drives the creation, development, and execution of Pareteum’s key strategic initiatives. He brings rich expertise in commercial turnaround, product differentiation, and value creation in the software market. Bart joined Pareteum through the acquisition of Artilium, where he was Chief Executive Officer, having successfully grown the company’s performance as a provider of software solutions to customers in the enterprise and communications service provider markets. Bart was previously the Chief Executive Officer at T-Mobile Netherlands and has held senior executive positions at T-Mobile Macedonia and KPN. He holds a BBA in Business Management from Nyenrode Business University and an MBA from the University of Leuven.</p>
<p>Laura W. Thomas, Interim Chief Financial Officer</p>	<p>Laura Thomas brings over 30 years of experience in the telecommunications industry, including assisting large and small organizations through significant operational challenges and upholding corporate governance and transparency among stakeholders. Ms. Thomas currently serves as Chairman of the Board of Directors of Delta Dental of Virginia and is a member of the National Association of Corporate Directors (NACD). Previously, Ms. Thomas served as Chief Financial Officer of Towerstream, a leading fixed wireless Internet provider in the U.S. In this role, she implemented a strategy to re-capitalize the company and institute key financial controls. Prior to that, she served as Chairman of the Board of Directors of Impact Telecom, a leading provider of voice and messaging solutions for businesses and carriers. In this role, she provided leadership to the company’s management team focused on implementing strategic initiatives and increasing enterprise value. Ms. Thomas also served as CEO of TNCL, a national telecommunications provider, and has held various leadership roles at XO Communications.</p>

Exhibit L

Debtors' Payroll for 30-Day Period Following the Petition Date

PARETEUM CORP.

Debtors' Payroll for the 30 Day Period Following the Filing of the Debtors' Ch. 11 Petitions

Payments	Payment Amount
Payments to employees (not including officers, directors, and stockholders)	\$ 547,281.80
Payments to officers, directors, and stockholders	33,994.35
Payments to financial and business consultants ¹	\$ 190,000.00

¹ Pursuant to the retention applications filed, or to be filed, by these professionals, and the applicable Bankruptcy Rules and Local Rules, the Debtors will not make any payment to financial and business consultants in the 30-day period following the filing of the chapter 11 petitions.

Exhibit M

**Debtors' Estimated Cash Receipts and Disbursements,
Net Cash Gain or Loss, Unpaid Obligations, and Receivables**

PARETEUM CORP.

The Debtors' Estimated Cash Receipts and Disbursements for the Thirty (30) Day Period Following the Filing of the Chapter 11 Petitions

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the Petition Date, the Debtors' estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Payments	Payment Amount
Cash Receipts	\$ 2,819,925.00
Cash Disbursements	\$ 2,500,076.55
Net Cash Gain	\$ 319,848.45
Unpaid Obligations (excluding professional fees) ¹	\$ 23,855,925.80
Unpaid Receivables (excluding professional fees) ²	\$ 14,033,259.44

¹ Total Accounts Payable as of May 1, 2022

² Total Accounts Receivable as of May 1, 2022 (Pareteum entities), May 9, 2022 (Artillum entities), April 29, 2022 (iPass, Inc.)