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NMS Communications Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We will go first to Steven Silk with C. Silk & Sons.

Steven Silk – C. Silk & Sons

Good afternoon. It is just very disappointing to see the amount of cash that is going to be left net after the deal and it just boggles my mind how much – what is on severance, what is on bonus, how is it to find that bonus is even earned at this point? Maybe you can comment on that how is it only \$11 million net?

Todd Donahue

Steven, this is Todd, thank you for the question. At the end of September, we expect to end the quarter with \$4.6 million and major cash considerations for Q4 as we mentioned include proceeds from the sale, repayment of the line of credit which as of September outstanding was approximately \$4 million, obviously the LiveWire Mobile restructuring, corporate restructuring that Joel just alluded to which is a 30% reduction and as we continue to turn around the business and accelerate the decline or move away from CapEx, we will use that cash in operations for Q4.

Steven Silk – C. Silk & Sons

It just seems one restructuring after another purchase of a company where you paid a multiple of revenue, I don't even think they had much revenue and then selling the business at a fraction of revenue that was generating profit, each step over the last year and a half has been a misstep, and it is just very difficult to believe how things are going to turn around. I saw the filing by a large shareholder yesterday calling perhaps for Bob to step down and step aside, perhaps the whole board should step down and step aside. I think it should be very much looked at whether the revenue run rate that you need to be profitable and I think you can do it if the model works, you need to evaluate why is that you are even a public company or you should be looking to sell that part of the company or maybe the model works well with a stronger hand, would work even better because of the stronger sales force and whatever, but I don't see how anybody on the current board of directors should be involved with the company going forward they should be [inaudible], something needs to be done that is not been done at the company.

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