

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)**

**PROXY STATEMENT PURSUANT TO SECTION 14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e) (2))

Novatel Wireless, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



May 15, 2012

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Novatel Wireless, Inc. The meeting will be held on Thursday, June 28, 2012, at 2:00 p.m., local time, at the Hyatt House San Diego, 10044 Pacific Mesa Blvd., San Diego, California 92121.

Information about the meeting is included in the following Notice of Annual Meeting of Stockholders and Proxy Statement. Also included is a proxy card and postage-paid return envelope.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, please complete, sign, date and promptly return your proxy card in the enclosed postage-paid return envelope. If you hold your shares through an account with a broker, bank or other nominee, please follow the instructions you receive from them to vote your shares.

We look forward to seeing you at the meeting.

Sincerely,

Peter V. Leparulo
Chairman and Chief Executive Officer



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held June 28, 2012

The 2012 Annual Meeting of Stockholders of Novatel Wireless, Inc., a Delaware corporation (the "Company"), will be held on Thursday, June 28, 2012, at 2:00 p.m., local time, at the Hyatt House San Diego, 10044 Pacific Mesa Blvd., San Diego, California 92121. The meeting will be held for the following purposes:

1. To elect one director to serve until the 2015 Annual Meeting of Stockholders;
2. To hold an advisory vote on the compensation of the Company's named executive officers; and
3. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2012.

Information concerning the matters to be voted upon at the meeting is set forth in the accompanying Proxy Statement. Holders of record of the Company's common stock as of the close of business on May 4, 2012 are entitled to notice of, and to vote at, the annual meeting.

Your vote is very important. Whether or not you plan to attend the annual meeting, please complete, sign, date and promptly return your proxy card in the enclosed postage-paid return envelope. If you hold shares through an account with a broker, bank or other nominee, please follow the instructions you receive from them to vote your shares.

By Order of the Board of Directors,

Catherine F. Ratcliffe
Senior V.P., Business Affairs,
General Counsel and Secretary

May 15, 2012
San Diego, California

NOVATEL WIRELESS, INC.
9645 Scranton Road
San Diego, California 92121

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING

Why am I receiving this proxy statement?

This proxy statement and the enclosed proxy card are being sent to you on behalf of the Board of Directors (the "Board") of Novatel Wireless, Inc. (the "Company") to solicit your proxy to vote at the Company's 2012 Annual Meeting of Stockholders (the "Annual Meeting"). The Annual Meeting will be held on Thursday, June 28, 2012, at 2:00 p.m., local time, at the Hyatt House San Diego, 10044 Pacific Mesa Blvd., San Diego, California 92121. You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement.

This proxy statement and the enclosed proxy card are being mailed to stockholders on or about May 10, 2012.

What matters will be considered at the Annual Meeting?

At the Annual Meeting, our stockholders will be asked:

- To elect one director to serve until the 2015 Annual Meeting of Stockholders;
- To hold an advisory vote on the compensation of the Company's named executive officers;
- To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2012; and
- To consider such other business as may properly come before the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Record holders of our common stock as of the close of business on May 4, 2012 are entitled to notice of, and to vote at, the Annual Meeting. You are a holder of record if your shares were registered directly in your name with our transfer agent, Computershare Trust Company, at the close of business on May 4, 2012. If your shares were held through an account with a broker, bank or other nominee at that time, then your shares are held in "street name" and the organization holding your account is considered the holder of record for purposes of voting at the Annual Meeting. However, as a beneficial owner, you have the right to instruct your broker, bank or other nominee on how to vote your shares.

How many votes do I have?

Each holder of record as of the close of business on May 4, 2012 is entitled to one vote for each share of common stock held on that date. As of that date, we had 32,402,866 shares of common stock outstanding.

What are the Board's recommendations on how I should vote my shares?

The Board recommends a vote:

- **FOR** the election of the director nominee to serve until the 2015 Annual Meeting of Stockholders;
- **FOR** the advisory vote on executive compensation;

- **FOR** the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2012; and
- at the discretion of the proxy holders with respect to any other matter that is properly presented at the Annual Meeting.

How do I cast my vote?

If you are a holder of record, you can vote in person at the Annual Meeting or by proxy prior to the Annual Meeting. To vote by proxy, please complete, sign, date and promptly return the enclosed proxy card in the enclosed postage-paid return envelope.

If your shares are held in “street name,” your broker, bank or other nominee will provide you with instructions on how to vote your shares. If you hold your shares in “street name” and do not instruct your broker, bank or other nominee how to vote your shares, your shares will not be voted in the election of directors. To be sure your shares are voted in the manner you desire, you should instruct your broker, bank or other nominee how to vote your shares.

Voting your shares is important due to the stock exchange rule that prohibits your broker, bank or other nominee from voting your shares with respect to the election of directors without your express voting instructions.

If you hold your shares in “street name” and wish to attend the Annual Meeting and vote your shares in person, you must obtain a valid proxy from your broker, bank or other nominee.

Can I change my vote after I have mailed my signed proxy card?

If you vote by proxy, you can revoke that proxy at any time before it is voted at the Annual Meeting. You can do this by:

- delivering a written notice revoking your proxy to the Company’s Corporate Secretary at the following address Novatel Wireless, Inc., 9645 Scranton Road, San Diego CA 92121;
- delivering to the Company’s Corporate Secretary a new proxy bearing a date after the date of the proxy being revoked; or
- voting in person at the Annual Meeting.

What if I return a signed proxy card but do not provide voting instructions?

All properly executed proxies, unless revoked as described above, will be voted at the Annual Meeting in accordance with your instructions on the proxy. If a properly executed proxy gives no specific voting instructions, the shares of common stock represented by your proxy will be voted:

- **FOR** the election of the director nominee to serve until the 2015 Annual Meeting of Stockholders;
- **FOR** the advisory vote on executive compensation;
- **FOR** the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2012; and
- at the discretion of the proxy holders with respect to any other matter that is properly presented at the Annual Meeting.

What will constitute a quorum at the Annual Meeting?

Holders of a majority of shares of our common stock entitled to vote at the Annual Meeting must be present at the Annual Meeting, in person or by proxy, to constitute a quorum necessary to conduct the Annual Meeting. Your shares will be counted toward the quorum if you submit a properly executed proxy or vote at the Annual Meeting. If there is no quorum, a majority of the votes present at the Annual Meeting, in person or by proxy, may adjourn the meeting to a later date.

How many votes are required to elect the director nominee?

The director will be elected by a plurality of the votes cast by holders of our common stock.

What does it mean if I received more than one proxy card?

If you received more than one proxy card, your shares are likely registered in more than one name or are held in more than one account. Please complete, sign, date and promptly return each proxy card to ensure that all your shares are voted.

Who will bear the costs for soliciting votes for the Annual Meeting?

The Company will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners for their reasonable expenses in forwarding solicitation material to such beneficial owners. Our directors, officers and employees may also solicit proxies in person or by other means of communication. Such directors, officers and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. In addition, we have retained Alliance Advisors LLC to assist in the solicitation of proxies for the Annual Meeting. For those services, we will pay Alliance Advisors LLC a fee of \$6,000 and will reimburse it for its reasonable out-of-pocket expenses incurred in connection with providing its services to us.

Where else are the proxy materials available?

The proxy statement and our 2011 Annual Report are available for your review at www.nvtl.com/proxymaterials.

Where can I find directions to the Annual Meeting location?

Directions to the Hyatt House San Diego are available at <http://sorrentomesa.house.hyatt.com>.

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 28, 2012: The Notice of the Annual Meeting, Proxy Statement and Annual Report are available at www.nvtl.com/proxymaterials.

PROPOSAL 1
ELECTION OF DIRECTOR

At the Annual Meeting, one director will be elected to serve a three-year term expiring at the 2015 Annual Meeting of Stockholders. This section contains information about the director nominee and the directors whose terms of office continue after the Annual Meeting. The nominee for election is Peter Leparulo. The director nominee is an incumbent director whose nomination to serve on the Board was recommended by the Nominating and Corporate Governance Committee and approved by the Board.

The director will be elected by a plurality of the votes cast at the Annual Meeting. A “withhold” vote will have no effect on the outcome of the election of this director.

The Board Recommends a Vote FOR the Director Nominee.

Nominee to be Elected for Term Expiring at the 2015 Annual Meeting of Stockholders

Peter V. Leparulo, age 53, has served as a director since May 2003, as our Chairman since November 2006 and as our Chief Executive Officer since April 2008. He also served as our Chief Executive Officer from January 2003 to November 2006. From May 2001 to January 2003, he served as our Senior Vice President, General Manager, CDMA Operations. From September 2000 to May 2001, he served as our Senior Vice President, Corporate and Strategic Development and General Counsel. From June 1998 until September 2000, Mr. Leparulo was a Senior Partner at the law firm of Orrick, Herrington & Sutcliffe LLP, where he specialized in corporate finance, mergers and acquisitions, securities, intellectual property and general corporate matters. Prior to joining Orrick, Mr. Leparulo was a Partner at the law firm of Pillsbury Madison & Sutro LLP, from January 1992 until June 1998, and an Associate at that firm from October 1989 until January 1992. He holds a Bachelor of Science from Colgate University and a Juris Doctor from Case Western Reserve University.

Mr. Leparulo’s nearly 12 years of experience at the Company, culminating in his service as the Company’s Chairman and Chief Executive Officer, gives him in-depth knowledge of the Company’s business and an understanding of operational and strategic matters impacting the Company. Mr. Leparulo’s background as an attorney gives the Board valuable insight into managing the Company’s business in a complex legal environment.

Directors With Terms Expiring at the 2013 Annual Meeting of Stockholders

James Ledwith, age 66, has served as a director since March 2008 and as our lead independent director since April 2010. Mr. Ledwith served as a partner at J.H. Cohn, an accounting and consulting firm, from 1992 until his retirement in 2009 and was a lecturer at San Diego State University from 2000 to 2007. Mr. Ledwith serves as a director of San Diego Trust Bank, a privately held community bank. Mr. Ledwith is a certified public accountant and received his undergraduate degree from Babson College and a Master of Business Administration from the Wharton Graduate Division of the University of Pennsylvania.

Mr. Ledwith spent his career primarily in public accounting and has extensive knowledge of accounting and financial reporting rules and regulations. Mr. Ledwith’s educational background and accounting expertise provide a solid background for him to advise and consult with the Board on financial and audit-related matters as a member of the Audit Committee.

General John D. Wakelin (U.S. Army, Retired), age 76, has served as a director since May 2009. For the last 22 years he has worked in senior executive and program management roles at SAIC, a Fortune 500 scientific, engineering, and technology applications company. At SAIC, General Wakelin has overseen numerous programs in large scale computing, telecommunications systems, and complex enterprise software systems for the public and private sector. He retired as Brigadier General for the Army where he served for 30 years in a number of

roles, culminating in his service as Deputy Director for Command Control and Communications for the Joint Chiefs of Staff under Presidents Reagan and Bush and as Deputy Commander for Research and Development for the U.S. Army Communications Electronics Command at Fort Monmouth, N.J. General Wakelin holds a Bachelor of Science from the University of San Francisco and he completed all graduate level course work in Social Psychology for the Army's Foreign Area Officer Program at San Diego State University. General Wakelin also attended the U.S. Army Command and General Staff College and National War College. He is a member of the Armed Forces Communications and Electronics Association and the Association of the United States Army.

General Wakelin's over 22 years of experience in executive and business development positions at SAIC gives him a strong understanding of the technology industry, making him well-suited to be a member of the Board. General Wakelin also brings to the Board strong leadership experience as a result of his 30 years of service in the U.S. Army.

Directors With Terms Expiring at the 2014 Annual Meeting of Stockholders

Russell Gerns, age 74, has served as director since September 2009. Mr. Gerns has more than 26 years of operational and finance experience, having participated in the founding and dramatic growth of numerous high-tech companies, including Scientific Data Systems (which was acquired by Xerox Corporation), Computer Machinery Corporation, Cipher Data Products and Rixon, Inc. (which was acquired by Legacy Storage Systems Corporation). Since 1985, Mr. Gerns has concentrated on venture capital financing of start-up companies, private equity investments, and company acquisitions. Mr. Gerns is a member of the Board of Advisors of the UCLA Anderson School of Management Center for Entrepreneurial Studies and has taught as a professor of business management at Pepperdine University. Mr. Gerns earned his undergraduate degree from the University of California, Los Angeles.

Mr. Gerns' extensive operational and finance experience with high-tech companies brings to the Board a valuable perspective on the technology industry. His experience with venture capital financing, private equity investments and acquisitions also provides additional insight to the Board regarding business and management of technology companies.

David A. Werner, age 60, has served as a director since January 2004. Mr. Werner has been co-owner of Aerofit, Inc., an engineered component manufacturer, since 2004. Mr. Werner was previously a partner at Engineered Components, an acquisition and business development company serving the engineered components market, which he joined in 2002. Mr. Werner also served as Executive Vice President and Chief Financial Officer of Day Runner, Inc. from 1999 to 2002. From 1994 to 1999, Mr. Werner was Executive Vice President and a member of the Board of Directors of Kaynar Technologies, Inc., a specialty component manufacturer. From 1990 to 1993, he served as Vice President and Chief Financial Officer of Microdot, Inc. From 1978 to 1990, Mr. Werner served in various accounting, financial, operating and executive positions with Lear Siegler. From 1974 to 1978, Mr. Werner worked for Peat, Marwick, Mitchell & Co. (currently KPMG). Mr. Werner is a certified public accountant (inactive) and received a Bachelor of Science in Business Administration and a Master of Business Administration from the University of Southern California.

Mr. Werner brings leadership, financial experience and a background in executive management to the Board. Mr. Werner has a strong understanding of the issues affecting the Company as a result of more than 20 years of executive experience in various industries. With his background in accounting and finance, Mr. Werner also brings an understanding of financial issues to the Board and the Audit Committee.

Director Independence

Under the Nasdaq listing requirements, a majority of the members of our Board must be independent. The Board has determined that of our current non-management directors, Mr. Gerns, Mr. Ledwith, Gen. Wakelin and Mr. Werner, are each independent of the Company and management within the meaning of the Nasdaq listing requirements. Mr. Leparulo is not “independent” under the Nasdaq listing requirements because he is an employee of the Company.

Director Nominations

Qualifications. The Nominating and Corporate Governance Committee considers a number of factors in its evaluation of director candidates, including the members of the Board eligible for re-election. These factors include relevant business experience, expertise, character, judgment, length of potential service, independence, other commitments and the current needs of the Board and its committees. In the case of incumbent directors, the Nominating and Corporate Governance Committee also considers a director’s overall service to the Company during his term, including the number of meetings attended, level of participation and quality of performance.

While the Nominating and Corporate Governance Committee has not established specific criteria related to a director candidate’s age, education, experience level or skills, it expects qualified candidates will have appropriate experience and a proven record of business success and leadership. The Nominating and Corporate Governance Committee believes the Board should be comprised of a diverse group of individuals with significant and relevant senior management and leadership experience, an understanding of technology relevant to the Company and its business, a long-term and strategic perspective and the ability to advance constructive debate and a global perspective. While the Board considers diversity in its evaluation of candidates, the Board does not have a policy specifically focused on diversity.

Stockholder Recommendations. The Nominating and Corporate Governance Committee considers recommendations of potential director candidates from stockholders based on the same criteria as a candidate identified by an individual director or the Nominating and Corporate Governance Committee.

Stockholders may recommend candidates at any time. However, to be considered by the Nominating and Corporate Governance Committee for inclusion in the proxy statement for our next Annual Meeting of Stockholders, recommendations must be received by the Corporate Secretary at least 120 days prior to the first anniversary of the date of the proxy statement mailed to stockholders for the immediately preceding Annual Meeting of Stockholders. A stockholder’s notice must include the following:

- a written statement by the director candidate agreeing to be named in our proxy materials and to serve as a member of the Board (and any committee of the Board to which the director candidate is assigned to serve by the Board) if nominated and elected;
- the director candidate’s full name, age, business and residential addresses and principal occupation or employment for at least the past five years;
- information regarding any relationships between the candidate and the Company within the last three years;
- a description of the proposed nominee’s qualifications as a director; and
- a written statement that the nominating stockholder is a beneficial or record owner of our stock.

The stockholder’s notice must be signed by the stockholder recommending the director candidate for consideration and sent to the following address: Novatel Wireless, Inc., c/o Corporate Secretary, 9645 Scranton Road, San Diego, California 92121.

Communications with the Board

Stockholders and other interested parties may communicate with the Board, the non-management directors or specific directors by mail addressed to: Novatel Wireless, Inc., c/o Corporate Secretary, 9645 Scranton Road, San Diego, California 92121. The communication should clearly indicate whether it is intended for the Board, the non-management directors or a specific director. Our Corporate Secretary will review all communications and will, on a periodic basis, forward all communications to the appropriate director or directors, other than those communications that are merely solicitations for products or services or that relate to matters that are clearly improper or irrelevant to the functioning of the Board.

Code of Ethics

The Board has adopted a code of business conduct and ethics applicable to all our directors, officers and employees. The purpose of the code of business conduct and ethics is to, among other things, focus our directors, officers and employees on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report concerns regarding possible unethical or unlawful conduct and to help enhance and formalize our culture of integrity, respect and accountability. We distribute copies of the code to, and conduct periodic training sessions regarding its content for, our newly elected directors and newly hired officers and employees. We will post information regarding any amendment to, or waiver from, our code of business conduct and ethics on our website in the Investors tab under “Corporate Governance” as required by applicable law. A copy of our code of business conduct and ethics is available on our website under the Investors tab under “Corporate Governance” at <http://novatelwireless.com>.

THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

The Board

The Board currently consists of five members, four of whom are non-management directors. The Board is currently divided into three classes with each class serving a three-year term. The term of one of each such class expires at each Annual Meeting of Stockholders of the Company.

Board Meetings and Director Attendance

Each director is expected to devote sufficient time, energy and attention to ensure diligent performance of his duties and to attend all meetings of the Board and the committees on which he serves. In 2011, the Board met 11 times, of which 7 were telephonic meetings. Each Board member attended at least 75% of the meetings of the Board and the committees on which he served during the period for which he was a director or committee member.

Annual Meeting of Stockholders

We do not have a formal policy regarding attendance by members of the Board at our Annual Meetings of Stockholders. However, we encourage, but do not require, our directors to attend. Two of our directors, Peter Leparulo and General Wakelin, attended the 2011 Annual Meeting of Stockholders.

Board Committees

The Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee operates under a written charter adopted by the Board. All of the charters are publicly available on our website at www.novatelwireless.com in the Investors tab under "Corporate Governance." You may also obtain a copy of these charters upon written request to our Corporate Secretary at our principal executive offices.

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board appoints committee members annually. The table below sets forth the current composition of our Board committees:

<u>Name</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>
Russell Gerns	ü		ü
James Ledwith	ü	ü(Chair)	
Peter V. Leparulo			
John Wakelin		ü	ü(Chair)
David A. Werner	ü(Chair)		

Audit Committee

The Audit Committee oversees our accounting and financial reporting processes and the audits of our financial statements and internal control over financial reporting. The functions and responsibilities of the Audit Committee include:

- engaging our independent registered public accounting firm and conducting an annual review of the independence of that firm;
- reviewing with management and the independent registered public accounting firm the scope and the planning of the annual audit;
- reviewing the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm;
- reviewing the findings and recommendations of the independent registered public accounting firm and management's response to the recommendations of that firm;

- discussing with management and the independent registered public accounting firm, as appropriate, the Company’s policies with respect to financial risk assessment and financial risk management;
- overseeing compliance with applicable legal and regulatory requirements, including ethical business standards;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- establishing procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- preparing the Audit Committee Report to be included in our annual proxy statement; and
- reviewing the adequacy of the Audit Committee charter on an annual basis.

In 2011, the Audit Committee met 8 times.

Our independent registered public accounting firm reports directly to the Audit Committee. Each member of the Audit Committee must have the ability to read and understand fundamental financial statements and at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting or another comparable experience or background. The Board has determined that each member of the Audit Committee is “independent” as defined by the Nasdaq listing requirements and SEC rules. The Board has also determined that Mr. Werner meets the requirements of an “audit committee financial expert” as defined by SEC rules.

Compensation Committee

The Compensation Committee establishes, administers and oversees compliance with our policies, programs and procedures for compensating our executive officers and the Board. The functions and responsibilities of the Compensation Committee include:

- establishing and reviewing our general compensation policies and levels of compensation applicable to our executive officers and our non-management directors;
- evaluating the performance of and determining the compensation for our executive officers, including our chief executive officer;
- reviewing regional and industry-wide compensation practices in order to assess the adequacy and competitiveness of our executive compensation programs; and
- administering our equity incentive compensation plans and approving awards of stock or stock options to employees and other parties.

In 2011, the Compensation Committee met 12 times, of which 7 were telephonic meetings. The Board has determined that each member of the Compensation Committee is “independent” as defined by the Nasdaq listing requirements.

Nominating and Corporate Governance Committee

The functions and responsibilities of the Nominating and Corporate Governance Committee include:

- monitoring developments in corporate governance principles and standards;
- developing and recommending a set of corporate governance guidelines applicable to the Company;
- reviewing possible conflicts of interest of Board members and management;
- recommending whether incumbent directors should be nominated for re-election to the Board;
- recommending director nominees;
- establishing procedures and guidelines for individuals to be considered to become directors;

- reviewing and evaluating director nominees submitted by stockholders;
- recommending the appropriate size and composition of the Board and each of its committees;
- overseeing annual evaluations of the performance of the Board, the Board committees and the directors;
- monitoring the continued legal compliance of our established principles and policies; and
- reviewing the adequacy of the Nominating and Corporate Governance Committee charter on an annual basis.

In 2011, the Nominating and Corporate Governance Committee met 5 times, of which 1 was a telephonic meeting. The Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” as defined by the Nasdaq listing requirements.

Board Leadership Structure

The Company currently combines the positions of Chairman and Chief Executive Officer. The Company’s policy as to whether the same person should serve in these positions is based on the Company’s needs at any particular time. The Board annually elects an independent director to serve as lead director. The Board believes that the current structure, in which Mr. Leparulo serves as Chairman and Chief Executive Officer, together with a lead independent director, is appropriate and provides the most effective leadership for the Company given Mr. Leparulo’s long-term experience with the Company and his specialized knowledge regarding the challenges and opportunities affecting the Company. The current structure also allows Mr. Leparulo to act as a bridge between management and the Board.

The Board has elected Mr. Ledwith to serve as our lead independent director. The primary responsibilities of the lead independent director include, among other things:

- advising the Chairman as to the schedule of, agenda for, and information to be provided in connection with, Board meetings;
- convening and presiding at meetings of non-management directors and presiding at Board meetings at which the Chairman is not present;
- acting as a liaison between the non-management directors and the Chairman when appropriate; and
- acting as a liaison for communication with Company stockholders.

Board’s Role in Risk Oversight

The Board plays an active role in the Company’s risk oversight and is responsible for overseeing the processes established to report and monitor systems that mitigate material risks applicable to the Company. The Board delegates certain risk management responsibilities to the committees of the Board. The Audit Committee reviews and discusses with management the Company’s policies regarding risk assessment and risk management and the Company’s significant financial risk exposures and the actions that management has taken to limit, monitor or control those exposures. The Compensation Committee reviews the compensation of the Company’s executive officers at least annually and considers the design of compensation programs and arrangements and potential risks presented thereby. The Nominating and Corporate Governance Committee considers potential risks presented by corporate governance issues affecting the Company and makes recommendations to the Board as appropriate. Each of these committees regularly reports to the Board on matters that involve the specific areas of risk that each committee oversees. The Board also receives regular reports on the Company’s risk management from senior representatives of the Company’s independent registered public accounting firm.

Director Compensation

We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board. Upon the recommendation of the Compensation Committee, the Board makes all compensation decisions for our non-management directors. In recommending director compensation, the Compensation Committee considers, among other things, the amount of time required of directors to fulfill their duties. A director who is also an employee of the Company does not receive additional compensation for serving as a director.

The Compensation Committee engaged Meridian Compensation Partners, a compensation consulting firm, to provide advice on compensation for both the Company's executive officers as well as non-management directors. In 2011, the consultants advised the Compensation Committee that non-management director compensation should be reviewed periodically but did not recommend any changes to the cash compensation for non-management directors for 2011. The consultants did recommend that the equity grant made to each non-management director be entirely restricted stock units rather than a combination of restricted stock units and stock options as had been done in the prior two years. The Compensation Committee followed this advice and recommended to the Board of Directors that the equity for non-management directors in 2011 be granted in restricted stock units.

Cash Compensation. The table below summarizes the components of cash compensation payable to our non-management directors for Board and Board committee service in 2011. The Company reimburses directors for reasonable expenses incurred in connection with attending Board and Board committee meetings.

Board Service:	
Annual Retainer	\$20,000
Lead Independent Director	\$15,000
Meeting Fee (in person)	\$ 1,500
Meeting Fee (telephonic)	\$ 750
Board Committee Service:	
Audit Committee Chair	\$10,000
Compensation Committee Chair	\$ 5,000
Nominating and Corporate Governance Committee Chair	\$ 5,000
Meeting Fee (in person)	\$ 1,000
Meeting Fee (telephonic)	\$ 500

Equity-Based Compensation. In 2011, non-management directors received an annual equity award with an economic value of \$90,000 in the form of restricted stock units. For these grants, the consultant recommended, and the Compensation Committee agreed, that a restricted stock unit would be valued at 90% of the closing price of our common stock on the grant date. The restricted stock units vest in three equal annual installments beginning on the first anniversary of the grant date. Upon vesting, the restricted stock units are settled in shares of our common stock.

Director Compensation Table. The table below summarizes the compensation paid to our non-management directors for 2011.

<u>Name(1)</u>	<u>Fees Earned or Paid in Cash</u>	<u>Stock Awards(2) (3)</u>	<u>Total</u>
Russell Gerns	\$ 41,750	\$ 99,893	\$ 141,643
James Ledwith	64,250	99,893	164,143
John Wakelin	47,750	99,893	147,643
David A. Werner	47,250	99,893	147,173

- (1) Peter V. Leparulo, our Chairman and Chief Executive Officer, is not included in this table because he is an employee of the Company and receives no additional compensation for his service as a director. The compensation received by Mr. Leparulo as an employee of the Company is shown in the Summary Compensation Table in this Proxy Statement.
- (2) The amounts in these columns reflect the aggregate grant date fair value of the stock awards granted in 2011 as computed in accordance with ASC Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 6, "Stock Incentive and Employee Stock Purchase Plans" in the Company's Form 10-K for the year ended December 31, 2011.
- (3) As of December 31, 2011, the number of shares of restricted stock and/or shares underlying outstanding restricted stock units held by each of the directors listed in the table above were as follows: Mr. Gerns (25,015 shares), Mr. Ledwith (26,326 shares), Gen. Wakelin (24,851 shares) and Mr. Werner (26,326 shares).

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our current executive officers:

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Peter V. Leparulo	53	Chairman and Chief Executive Officer
Kenneth G. Leddon	59	Senior Vice President and Chief Financial Officer
Robert M. Hadley	49	Chief Marketing Officer
Catherine F. Ratcliffe	54	Senior Vice President, Business Affairs, General Counsel and Secretary
Christopher J. Ross	58	Senior Vice President, Operations
Slim S. Souissi	47	Senior Vice President and Chief Technology Officer

Peter V. Leparulo has served as a director since May 2003, as our Chairman since November 2006 and as our Chief Executive Officer since April 2008. He also served as our Chief Executive Officer from January 2003 to November 2007. From May 2001 to January 2003, he served as our Senior Vice President, General Manager, CDMA Operations. From September 2000 to May 2001, he served as our Senior Vice President, Corporate and Strategic Development and General Counsel. From June 1998 until September 2000, Mr. Leparulo was a Senior Partner at the law firm of Orrick, Herrington & Sutcliffe LLP, where he specialized in corporate finance, mergers and acquisitions, securities, intellectual property and general corporate matters. Prior to joining Orrick, Mr. Leparulo was a Partner at the law firm of Pillsbury Madison & Sutro LLP, from January 1992 until June 1998, and an Associate at that firm from October 1989 until January 1992. He holds a Bachelor of Science from Colgate University and a Juris Doctor from Case Western Reserve University.

Kenneth G. Leddon has served as our Senior Vice President and Chief Financial Officer since January 2008. From November 2007 to January 2008, he served as our interim Chief Financial Officer. Before joining us, Mr. Leddon was a principal in the management consulting firm of Leddon & Associates from September 2006 until November 2007. Prior to that, he was a principal in the management consulting firm of Pathway Strategic Partners from November 2002 to September 2006. Mr. Leddon also served as an interim executive or financial advisor for several companies while employed with two nationally recognized management consulting firms, XRoads Solutions Group, LLC and Buccino & Associates, Inc. He also served as Chief Financial Officer and Vice President for several portfolio companies of Milhous Group, a private equity firm that was based in California. Mr. Leddon started his career at U.S. Steel Corporation, where he held several financial management positions during his 10 year tenure. Mr. Leddon holds a Bachelor of Science in Business Administration from California State University-Northridge and a Master of Science in Business Administration from Robert Morris University.

Robert M. Hadley has served as our Chief Marketing Officer since March 2009 and served as a Senior Technical Advisor for the Company in the office of the Chief Executive Officer between March 2008 and March 2009. From 2004 to early 2008, Mr. Hadley was the Company's Senior Vice President of Worldwide Sales and Marketing and was our Vice President of Sales and Marketing in 2003. He served as our Vice President of Strategic Accounts from April 2001 to December 2002. Before initially joining us, Mr. Hadley was Vice President of Sales for e-SIM Ltd., a provider of advanced simulation technology for product development. Mr. Hadley also previously held various senior sales and marketing positions at Aonix, a Thomson Software company providing IT solutions for corporate enterprise reporting and lifestyle software development markets, where he rose to the position of Vice President of Marketing. Mr. Hadley holds a Bachelor of Science in Computer Science from San Diego State University.

Catherine F. Ratcliffe has served as our Senior Vice President, Business Affairs, General Counsel and Secretary since August 2007 and served as our Vice President, Business Affairs and Secretary from May 2004 until August 2007. From 2002 to 2004, she practiced law, including as a Partner in the law firm of Lamb & Kawakami. From 1997 to 2002, she was Vice President, General Counsel & Human Resources at Day Runner,

Inc. Prior to joining Day Runner, she was a Partner in the law firm of Bryan Cave LLP practicing in the areas of corporate finance, securities and mergers and acquisitions, from 1992 to 1997. Ms. Ratcliffe holds a Bachelor of Arts from the University of California at Los Angeles and a Juris Doctor from the University of California at Berkeley.

Christopher J. Ross has served as our Vice President of Operations since July 2005 and our Senior Vice President of Operations since August 2007. From 1999 to July 2005, Mr. Ross was Vice President of Operations at Ericsson Wireless Communications where he was responsible for world-wide supply of wireless telecommunications infrastructure based on CDMA radio access technology. From 1994 to 1999, he was Vice President, Manufacturing at QUALCOMM where he was an operations executive. Prior to joining QUALCOMM, he was Vice President of Manufacturing at Spectragraphics where he founded the company's contract manufacturing subsidiary (SMS Technologies) and also served as its General Manager. Mr. Ross holds both Bachelor and Master of Electrical Engineering degrees from Manhattan College.

Slim S. Souissi has served as our Senior Vice President and Chief Technology Officer since 2004 and served as our Vice President and Chief Technology Officer from October 2002 to 2004. He previously served as our Vice President of Emerging Technologies from December 2001 to October 2002 and as our Principal Research Scientist from May 2000 to December 2001. Prior to joining us in 2002, Dr. Souissi was Principal Staff Engineer in Motorola's research and development operation from November 1994 to May 2000. Dr. Souissi earned a Ph.D. and a Master of Science in Electrical Engineering from the Georgia Institute of Technology, a Master of Science in Digital Signal Processing from the Ecole Superieure d'Electricite (France) and a Master of Science in Engineering from the Ecole Centrale Marseille (France). Dr. Souissi holds 42 U.S. patents, all related to wireless technology.

Overview

Decisions with respect to compensation for our executive officers, including our chief executive officer, are made by the Compensation Committee of the Board. The following discussion and analysis is focused primarily on the compensation for our executive officers, with additional detail provided for our named executive officers. Our “named executive officers” are our chief executive officer, our chief financial officer and our three other most highly compensated executive officers for 2011. The compensation of our named executive officers is presented in the tables and related information and discussed under “Executive Compensation” following this section, beginning on page 22.

Compensation Philosophy and Objectives

In making decisions with respect to compensation for our executive officers, the Compensation Committee is guided by a pay-for-performance philosophy. The Compensation Committee believes that a significant portion of each executive’s total compensation opportunity should vary with achievement of the Company’s annual and long-term financial, operational and strategic goals. In designing the compensation program for our executive officers, the Compensation Committee seeks to achieve the following key objectives:

- *Motivate Executives.* The compensation program should encourage our executive officers to achieve the Company’s annual and long-term goals.
- *Alignment with Stockholders.* The compensation program should align the interests of our executives with those of our stockholders, promoting actions that will have a positive impact on total stockholder return over the long term.
- *Attract and Retain Talented Executives.* The compensation program should provide each executive officer with a total compensation opportunity that is market competitive. This objective is intended to ensure that we are able to attract and retain executives while maintaining an appropriate cost structure for the Company.

Committee’s Role in Establishing Compensation

Our Compensation Committee is currently comprised of James Ledwith and John Wakelin, both of whom are independent directors under the Nasdaq, SEC and Internal Revenue Code rules. The Compensation Committee approves all compensation decisions for our executive officers, including grants of equity awards. The Compensation Committee believes that one of its key functions is to help ensure that our executives are fairly and reasonably compensated based upon their performance and contribution to the Company’s growth and profitability, and that its compensation decisions support our compensation philosophy and objectives. The agenda for meetings of the Compensation Committee is determined by its Chairman, with the assistance of our Senior Vice President of Business Affairs, who has responsibility for human resources and compensation matters. Our Senior Vice President of Business Affairs is also our General Counsel and Corporate Secretary.

The Compensation Committee is authorized to retain advisors with respect to compensation matters. The Compensation Committee engaged Meridian Compensation Partners, a compensation consulting firm, to provide advice on compensation matters for executive officers and non-management directors for 2011. The compensation consultant’s role is to provide independent third-party advice to assist the Compensation Committee in evaluating and designing our executive compensation policies and programs, including:

- providing recommendations regarding the composition of our comparator group, as described below;
- reviewing and assisting with recommendations regarding current executive compensation levels relative to the market and our performance, including with respect to the retention and promotion of executive officers;

- advising on trends in executive compensation, including best practices; and
- advising on aligning pay and performance. The Compensation Committee is responsible for reviewing fees paid to compensation consultants to ensure that the consultants maintain their objectivity and independence when rendering advice to the Committee regarding executive compensation matters.

Management's Role in Establishing Compensation

Our Chief Executive Officer and our Senior Vice President of Business Affairs regularly attend Compensation Committee meetings to discuss matters under consideration by the Committee and to answer questions regarding those matters. The Compensation Committee also regularly meets in executive session without members of management present.

Our Chief Executive Officer recommends to the Compensation Committee changes in compensation for other executive officers based on his assessment of each individual's responsibilities and contribution to the Company's results and potential for future contributions to the Company's success. The Compensation Committee considers these recommendations, but has final authority to set these amounts in its discretion. The Committee discusses proposals for our Chief Executive Officer's compensation package with him but always makes final decisions regarding his compensation when he is not present. The Compensation Committee also reviews market data and other relevant information provided by the compensation consultant when considering changes to the compensation of our executive officers.

With oversight by the Compensation Committee, our human resources department administers our executive compensation program.

Consideration of 2011 Stockholder Advisory Vote

At our 2011 Annual Meeting of Stockholders, we held an advisory "say-in-pay" vote on the compensation of our named executive officers. Our stockholders strongly approved the compensation of our named executive officers, with over 76% of stockholder votes cast voting in favor of the say-on-pay proposal. As we evaluated our compensation practices and talent needs throughout 2011, we were mindful of the support our stockholders expressed for our philosophy of linking compensation to our financial, operational and strategic goals and in support of enhancing stockholder value. As a result, the Compensation Committee decided to retain our general approach with respect to our executive compensation program, with an emphasis on delivering short and long-term incentive compensation that rewards our most senior executives based on achievement of financial, operational and strategic goals and with a view to enhancing stockholder value.

Benchmarking and Comparator Group

In setting compensation for 2011, the Compensation Committee reviewed the Company's executive compensation program, including base salary, total cash compensation and long-term incentive awards, with compensation paid by a comparator group of publicly traded companies compiled by the consultant. Although our Company is not included in an identifiable peer group, the Compensation Committee believed that this comparator group represented an appropriate mix of industry participants to use for benchmarking and comparative analysis. The following companies comprised the 2011 comparator group:

- Avid Technology, Inc.
- Ciena Corp.
- Datalink Corp.
- DivX Inc.
- Dot Hill Systems Corp.
- Electronics for Imaging Inc.
- EMS Technology Inc.
- Emulex Corp.
- Finisar Corp.
- Harmonic Inc.

- Hypercom Corp.
- Intermec, Inc.
- InterDigital Inc.
- Newport Corp.
- PMC-Sierra Inc.
- Premiere Global Services Inc.
- QLogic Corp.
- Sierra Wireless Inc.
- Silicon Graphics International Corp.
- Synaptics Inc.
- Telecommunication Systems
- United Online Inc.
- Zoran Corp.

Review of Compensation Program

In developing an annual compensation program for our executive officers, the Compensation Committee typically considers the following three main factors.

- *Market Competitiveness.* The Compensation Committee reviews market data provided by the compensation consultant to evaluate whether changes to the compensation program and pay levels of our executive officers may be appropriate. The Compensation Committee generally seeks to compensate our executive officers within the median compensation levels of the closest corresponding executive positions among our comparator group companies.
- *Internal Equity.* The Compensation Committee considers the level of total compensation opportunity for the executive officers in relation to one another to ensure that each executive's contribution to Company performance is appropriately reflected.
- *Individual Performance.* The Compensation Committee considers each individual executive's experience serving in his or her position and the potential for the executive to expand responsibilities and increase contributions to the Company.

Executive Compensation Programs and Policies

The components of our executive compensation program typically provide for a combination of fixed and variable compensation. As described in more detail below, these components are:

- base salary;
- annual incentive compensation;
- long-term incentive compensation;
- broad-based employee benefits; and
- severance and change-in-control benefits.

The Compensation Committee typically allocates a significant percentage of the total compensation for our executive officers to annual and long-term incentives as a result of the compensation philosophy and objectives described above. However, the Compensation Committee does not have a policy or target for allocating elements of compensation between cash and non-cash or annual and long-term incentives.

Base Salary. The base salary for each of our executive officers is paid in cash and represents the fixed portion of his or her total compensation. Base salary compensation is intended to provide a reliable source of income for our executive officers, an important part of retaining our executive officers, and is not subject to the variability of the annual incentive compensation and long-term equity incentive components of our executive compensation programs. The base salary for each of our executive officers is generally reviewed by the Compensation Committee annually. Base salaries are determined on the basis of the factors described above, as well as management responsibilities, level of experience and tenure with our Company.

Annual Incentive Compensation. The Compensation Committee believes annual incentive compensation should be a key element of the total compensation opportunity of each executive officer. The Compensation

Committee also believes that placing a portion of executive compensation at risk each year appropriately motivates executives to achieve Company and individual goals, thereby enhancing stockholder value.

The Compensation Committee establishes annually the performance metrics and goals that must be achieved for an executive officer to earn an annual incentive compensation award. In establishing performance metrics for each of our executive officers, the Compensation Committee considers both Company objectives and individual objectives. The Company objectives are based on certain financial, operational and commercial goals of the Company as set forth in our operating plan for that year, and the executive officer's contribution to the achievement of those Company targets. The individual objectives are established for each executive officer in light of his or her business unit responsibilities and accompanying goals and expectations.

The Compensation Committee assesses performance by comparing actual results to the performance goals established. Generally, the annual target incentive award payable to any executive officer is 50% of annual base salary (100% for our Chief Executive Officer). In approving annual incentive payouts, the Compensation Committee may apply discretion to the amounts that otherwise would be payable based upon Company and individual performance, subject to the maximum awards payable.

Long-Term Incentive Compensation. Long-term incentive awards are granted to our executive officers under our Omnibus Incentive Compensation Plan, which was approved by our stockholders in June 2009. These awards are intended to align the interests of management with those of our stockholders and are intended as a long-term incentive for future performance. This incentive plan is administered by the Compensation Committee.

Our incentive compensation plan provides for grants of both equity and cash awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, annual incentive awards, performance shares, performance units and other forms of awards. The availability of these various types of equity and cash awards affords the Compensation Committee the flexibility to design long-term incentive awards that are responsive to our business needs and advance our interests and long-term success. To date, only stock options and restricted stock units have been granted under the incentive compensation plan.

The Compensation Committee views equity incentive awards as a means to encourage management retention because these awards typically vest over a specified period of time. We have historically granted a mix of stock option and restricted stock unit awards, including as part of our 2011 executive compensation program. When making equity incentive award decisions, the Compensation Committee does not consider existing ownership levels because the Committee does not want to discourage our executive officers from holding significant amounts of our common stock.

Employee Benefits. We do not provide our executive officers or other employees with defined pension benefits, supplemental retirement benefits, post-retirement payments or deferred compensation programs. We do provide a 401(k) defined contribution plan that is available to all of our U.S. employees who meet certain eligibility requirements. We currently match up to the first 4% of eligible compensation that a participant contributes to the plan each year, subject to limitations under applicable law. Company matching contributions vest over a two-year period. However, after an executive officer or other employee completes two years of service with the Company, all matching contributions, including future contributions, are fully vested.

Except as described below, we provide health, life and other insurance benefits to our executive officers on the same basis as our other full-time employees. All of our U.S. employees are enrolled in our group disability and life insurance plans. Each of our executive officers is entitled to receive a life insurance benefit upon his or her death equal to two times his or her annual base salary in effect on the date of death, up to a maximum benefit of \$500,000. Each of our other salaried employees is entitled to a life insurance benefit equal to two times his or her annual base salary in effect on the date of death, up to a maximum benefit of \$250,000.

We encourage all of our employees, including our executive officers, to participate in our Employee Stock Purchase Plan, which has been designed to comply with Section 423 of the Internal Revenue Code. The plan permits employees to purchase up to \$25,000 of our common stock annually through payroll deductions of up to 10% of their eligible compensation. The Compensation Committee believes that the Employee Stock Purchase Plan encourages employees, including our executive officers, to increase their ownership in the Company and further aligns their economic interests with those of our stockholders. The purchase price at which our common stock may be acquired under the plan is generally equal to 85% of the lower of the fair market value of our common stock at the beginning of the offering period or at the end of the purchase period. The plan is designed to appeal primarily to non-executive employees and is not intended to be a meaningful element of our executive compensation program.

We do not provide other perquisites or personal benefits to our executive officers. The Compensation Committee believes that this policy is consistent with its pay-for-performance philosophy. We also do not provide any additional cash compensation to our executive officers to reimburse them for any income tax liability (with the exception of certain circumstances following a change in control) that may arise and become due and payable as a result of their receipt of any cash or equity compensation or benefit.

Severance and Change in Control Benefits. In November 2007, we entered into an employment agreement with Peter V. Leparulo, our Chairman and Chief Executive Officer. The agreement provides for a minimum annual base salary and annual and long-term incentive compensation opportunities, as well as severance and other benefits. For additional information about the terms of this employment agreement, see “Executive Compensation—Employment Agreement,” beginning on page 23. For additional information about the severance benefits provided under this agreement, see “Executive Compensation—Potential Payments Upon Termination or Change in Control—Employment Agreement,” beginning on page 25.

We have not entered into employment agreements with any of our other executive officers. However, we provide all of our executive officers with severance benefits in the event of a termination of employment in connection with a change in control of the Company. The severance benefits are intended to assist us in attracting and retaining talented executives. In addition, the change-in-control benefits are intended to ensure that these executive officers are able, as a practical matter, to evaluate any potential change-in-control transaction objectively and to encourage these executives to remain employed by the Company in the event a change in control becomes a real possibility. For additional information, see “Executive Compensation—Potential Payments Upon Termination or Change in Control—Severance Agreements,” beginning on page 27.

Internal Revenue Code Section 162(m). Section 162(m) of the Internal Revenue Code provides that compensation in excess of \$1 million paid to the chief executive officer or to any of the other four most highly compensated executive officers (other than the chief financial officer) of a public company is not deductible for federal income tax purposes unless the compensation qualifies as “performance based compensation.”

In reviewing our executive compensation program, the Compensation Committee considers the anticipated tax treatment to the Company and our executive officers of various payments and benefits. However, the deductibility of certain compensation payments depends upon the timing of an executive’s vesting or exercise of previously granted awards, as well as interpretations and changes in the tax laws and other factors beyond the Committee’s control. For these and other reasons, including the need to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee will not necessarily, or in all circumstances, limit executive compensation to that which is deductible under Section 162(m) and has not adopted a policy requiring that all compensation be deductible.

2011 Compensation

Base Salaries. During the course of several meetings in the second quarter of 2011, the Compensation Committee reviewed benchmarking information and had discussions with the Chief Executive Officer before concluding that no changes would be made to the base salaries of our executive officers with the exception of our Senior Vice President of Operations. His base salary was increased from \$247,500 to \$265,000, effective July 1, 2011.

Annual Incentive Compensation. In June 2011, the Compensation Committee adopted a bonus plan applicable to the Company's executive officers for the fiscal year ending December 31, 2011. Under the terms of the plan, each executive officer was eligible to receive a discretionary cash bonus from the Company in a dollar amount equal to a percentage of his or her annual base salary in effect as of the end of 2011. The award of a bonus was subject to the achievement of a Company-wide financial goal and operational and commercial milestones applicable to each executive officer and an individual performance goal established for each executive officer. The individual performance goals established were principally qualitative rather than quantitative.

The target awards for the 2011 fiscal year, as a percentage of base salary, were 100% for the Company's Chief Executive Officer and 50% for all other executive officers. Each executive officer was eligible to earn up to 70% of the target award if the Company achieved its performance goals and up to 30% of the target award if the executive officer achieved his or her own individual goals. All bonuses were to be determined and paid following the end of the Company's 2011 fiscal year upon the approval of the Compensation Committee in its sole discretion. In approving the payment of awards under the plan, the Committee may also use its discretion to increase or decrease the amounts that otherwise would be payable based upon the achievement of the Company and individual performance goals.

The Compensation Committee, with the advice of its compensation consultant, established a Company financial performance goal for our executive officers based on the Company's earnings before interest, taxes, depreciation and amortization, or EBITDA, for the second through fourth fiscal quarters of the year ended December 31, 2011. For purposes of the Company financial performance goal, share-based compensation expense is added back to EBITDA and is further adjusted, if necessary, to reflect the aggregate dollar amount of the incentive award payments. EBITDA, as so adjusted, is referred to herein as "Adjusted EBITDA." The Compensation Committee selected this metric because it believed that EBITDA is an industry-accepted measure of performance and demonstrates the Company's performance and ability to reinvest in its business. The Compensation Committee approved a matrix in which greater Adjusted EBITDA corresponded to higher levels of goal achievement. To achieve 100% of the financial performance goal, the Company had to achieve Adjusted EBITDA of \$12,524,000; however, the matrix provided opportunities for partial achievement (*e.g.* 90%) and overachievement (*e.g.* 110%) of this goal at specified Adjusted EBITDA levels. The Company financial performance goal constituted 50% of the overall Company performance goal with the four additional operational and commercial performance goals constituting the remaining 50% of the overall goal. These operational and commercial goals included OEM and M2M design wins (10% each), technical approvals for new products (20%) and a revenue composition target (10%).

At the time the Compensation Committee adopted the bonus plan, it decided to exclude the Company's earnings in the first fiscal quarter of 2011 from the Company financial performance goal because the Committee believed that the financial results of that quarter were atypical. These factors included, but were not limited to, changes and delays in the launch of the then-new LTE 4G networks that needed to be accommodated in the Company's development efforts for new 4G products. As a result, several products launched later than expected. The results in the first quarter were considered aberrational and thus excluded from the Company financial performance goal in the bonus plan so that the Company's bonus plan for the year still offered an incentive for performance for the balance of the year. The Company performance goals in the bonus plan for executive officers, including the financial performance goal, are also used in the bonus plan for non-executive employees throughout the Company.

For an executive officer to earn the full 70% portion of his or her target incentive award attributable to Company performance, the Company had to achieve Adjusted EBITDA of \$12,524,000 and the each of the four operational and commercial performance goals had to be fully achieved. The Company achieved an Adjusted EBITDA under the bonus plan of \$12,030,000, which was approximately 95% of the Adjusted EBITDA target. Achieving 95% of this financial goal resulted in a 48% achievement level of the Company overall performance goal (95% of the 50%). In March 2012, the Compensation Committee reviewed the Company operational and commercial goals in the bonus plan against the results achieved in 2011 and determined that the revenue composition target (for 10% of the total goal) had been fully achieved but that the other goals had not been achieved at levels that would satisfy the plan. These findings resulted in a final determination that the Company performance goals under the bonus plan had been achieved at a combined 58% level (48% achieved from the financial performance goal and 10% from the revenue composition goal). Accordingly, each executive officer received 58% of his or her potential annual incentive compensation attributable to the Company performance component of his or her 2011 total target award opportunity.

As of the date of this proxy statement, the Compensation Committee had not finalized its consideration of the award payments for individual performance of the named executive officers in 2011. As discussed above, individual performance represented 30% of each executive's target award. In accordance with SEC regulations, the Company will file a report on Form 8-K with this information when those awards are determined. The Committee expects to make this determination in the second quarter of 2012.

Long-Term Incentive Compensation. In July 2011, the Compensation Committee recommended to the Board that each of our executive officers be granted a long-term equity incentive award equal to a percentage of the individual executive officer's base salary. In making this recommendation for equity awards, the Compensation Committee considered the benchmarking data with regard to direct peer and general industry group, accounting impacts on earnings, the CEO's recommendations with respect to all executive officers other than himself, the Compensation Committee's own evaluations of the individual contribution and performance of each of the executive officers and previous equity awards to the executive officers. The Board accepted the recommendation of the Compensation Committee and each executive officer received stock options and restricted stock units, with restricted stock constituting an economic value equal to 80% of the officer's total equity award and stock options constituting an economic value equal to 20% of the officer's total equity award. The Compensation Committee, with the advice of its compensation consultant, determined that a restricted stock unit would be valued at 90% of the closing price of our common stock on the grant date and a stock option would be valued at 60% of the closing price on the grant date.

The following table sets forth the economic value (at the time of grant) of the long-term equity incentive award granted to each of our named executive officers, as well as the number of stock options and restricted stock units granted to each named executive officer.

<u>Executive</u>	<u>Award Amount</u>	<u>Award as a Percent of Base Salary</u>	<u>Number of Stock Options</u>	<u>Number of Restricted Stock Units</u>
Peter V. Leparulo	\$924,000	200	56,513	150,549
Kenneth G. Leddon	370,500	130	22,660	60,366
Robert Hadley	427,500	150	26,146	69,653
Catherine F. Ratcliffe	378,000	140	23,119	61,588
Slim S. Souissi	450,000	150	27,522	73,319

The Compensation Committee recommended, and the Board approved, grants to each of our named executive officers long-term equity incentive awards equal to the percentage of the individual officer's 2011 base salary as set forth in the table immediately above.

The stock option awards vest over a three-year period, with one-third vesting on the first anniversary of the grant date and the remainder vesting ratably on a monthly basis thereafter through the third anniversary of the grant date. The restricted stock units vest in three equal annual installments beginning on the first anniversary of

the grant date. Each restricted stock unit will be settled for one share of our common stock. The Compensation Committee approved equity awards with time-based vesting to create a significant incentive for our executive officers to be employed by the Company for at least three years after the date of grant.

COMPENSATION COMMITTEE REPORT

The Compensation Committee is currently comprised of two members, James Ledwith (Chair) and John Wakelin.

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee

James Ledwith, Chair

John Wakelin

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Compensation Committee was at any time during fiscal 2011 or at any other time an officer or employee of the Company, and no member had any relationship with the Company requiring disclosure as a related person transaction. No executive officer of the Company has served on the board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of our Board or Compensation Committee during fiscal 2011.

EXECUTIVE COMPENSATION

The following executive compensation tables and related information are intended to be read with the more detailed disclosure regarding our executive compensation program presented under “Compensation Discussion and Analysis” above.

Summary Compensation Table

The following table sets forth information regarding the compensation of our named executive officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Stock Awards(1)</u>	<u>Option Awards(1)</u>	<u>Non-Equity Incentive Plan Compensation(2)</u>	<u>All Other Compensation(3)</u>	<u>Total</u>
Peter V. Leparulo	2011	\$462,000	\$820,492	\$189,573	\$ 187,572	\$ 10,400	\$1,670,037
Chairman and Chief Executive Officer	2010	462,000	512,924	393,363	125,000	10,400	1,503,687
	2009	462,000	543,936	777,840	516,588	10,400	2,310,764
Kenneth G. Leddon	2011	285,000	328,995	76,013	57,855	10,400	758,263
Senior Vice President and Chief Financial Officer	2010	285,000	205,671	157,727	42,000	10,400	700,798
	2009	285,000	335,417	426,496	148,201	10,400	1,205,514
Robert Hadley	2011	285,000	379,609	87,707	57,855	10,400	820,571
Chief Marketing Officer	2010	279,167	237,308	181,995	42,000	10,400	750,870
	2009	210,811	155,999	223,081	153,701	97,900 (4)	841,492
Catherine F. Ratcliffe	2011	270,000	335,655	77,553	54,810	10,400	748,418
Senior Vice President of Business Affairs, General Counsel and Secretary	2010	267,083	209,834	160,923	40,000	10,400	688,240
	2009	260,000	153,057	218,873	150,800	10,400	793,130
Slim S. Souissi	2011	300,000	399,589	92,323	60,900	10,400	863,212
Senior Vice President and Chief Technology Officer	2010	300,000	249,797	191,574	47,550	10,400	799,321
	2009	300,000	264,904	378,819	162,750	10,400	1,116,873

- (1) The amounts in these columns reflect the aggregate grant date fair value of the stock and option awards granted in the respective fiscal year as computed in accordance with ASC Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 6, “Stock Incentive and Employee Stock Purchase Plans” in the Company’s Form 10-K for the year ended December 31, 2011.
- (2) Represents cash awards for the Company performance portion of our annual incentive compensation plan. The threshold, target and maximum amounts for each named executive officer’s fiscal 2011 incentive opportunity are reported in the “Grants of Plan-Based Awards Table” below.
- (3) For 2011, the amounts shown represent Company matching contributions under our 401(k) plan and life insurance premiums paid by the Company.
- (4) For Mr. Hadley, includes consulting fees of \$87,500 earned in 2009.

Grants of Plan-Based Awards

The following table sets forth information regarding the Company's grants of plan-based awards to named executive officers during 2011 under the Company's annual incentive plan and 2009 Incentive plan. In this table, the annual incentive plan is abbreviated as "AIP" and awards under the 2009 Incentive Plan are abbreviated as "RSU" for restricted stock unit awards and "SOA" for stock option awards.

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Stock Awards: Awards: Number of Shares of Stock or Units (#)(2)	All Other Option Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards
			Threshold	Target	Maximum				
Peter Leparulo	AIP	7/1/2011	\$ 217,140	\$ 462,000	\$ 924,000				
	RSU	7/1/2011				150,549		\$ 820,492	
	SOA	7/1/2011					56,513	\$ 5.45	189,573
Kenneth Leddon	AIP	7/1/2011	66,975	142,500	285,000				
	RSU	7/1/2011				60,366		328,995	
	SOA	7/1/2011					22,660	5.45	76,013
Robert Hadley	AIP	7/1/2011	66,975	142,500	285,000				
	RSU	7/1/2011				69,653		379,609	
	SOA	7/1/2011					26,146	5.45	87,707
Catherine Ratcliffe	AIP	7/1/2011	63,450	135,000	270,000				
	RSU	7/1/2011				61,588		335,655	
	SOA	7/1/2011					23,119	5.45	77,553
Slim Souissi	AIP	7/1/2011	70,500	150,000	300,000				
	RSU	7/1/2011				73,319		399,589	
	SOA	7/1/2011					27,522	5.45	92,323

- (1) Represents the potential payout for awards granted under the Company's annual incentive plan. These awards were subject to the attainment of certain performance goals. The performance goals and target award multiples for determining the payout are described under "Compensation, Discussion and Analysis—Annual Incentive Compensation." Actual amounts paid under the plan to the named executive officers are reported in the Summary Compensation Table in the "Non-Equity Incentive Plan Compensation" column.
- (2) Represents restricted stock units awarded under the Company's 2009 Incentive Plan. Each vested restricted stock unit will be settled for one share of our common stock. The restricted stock units vest in three equal installments beginning on the first anniversary of the grant date.
- (3) Represents stock options granted under the Company's 2009 Incentive Plan. Stock options vest over a three-year period, with one-third vesting on the first anniversary of the grant date and the remainder vesting ratably on a monthly basis thereafter through the third anniversary of the grant date.

Employment Agreement

In November 2007, we entered into an employment agreement with Mr. Leparulo, our Chairman and Chief Executive Officer, for an initial term of three years. The agreement provides Mr. Leparulo with an annual base salary of not less than \$462,000. Mr. Leparulo is eligible to receive annual incentive compensation equal to at least 100% of his base salary, based on the achievement of performance goals established by the Board or Compensation Committee. Mr. Leparulo is also entitled to annual equity grants consistent with competitive pay practices generally and appropriate relative to awards made to our other executive officers. Mr. Leparulo is entitled to a \$1,000,000 executive term life insurance policy and may designate the beneficiary of the policy. To date, he has not exercised his right to this benefit. He is also eligible to participate in our employee benefits plans and programs. For a description of the severance benefits provided under this agreement and our other severance agreements, see "—Potential Payments Upon Termination or Change in Control—Employment Agreement."

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding stock options and restricted stock units held by the named executive officers that were outstanding at December 31, 2011.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price Per Share	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested(1)
Peter V. Leparulo	26,665	0	\$ 16.80	01/30/12		
	1	0	1.01	05/07/13		
	350,000	0	16.27	04/29/14		
	200,000	0	11.04	03/07/15		
	192,491	17,509(2)	5.51	03/13/19		
	64,628	46,163(3)	6.95	03/11/20		
		56,513(4)	5.45	07/01/21		
					49,202(6)	154,002
					150,549(7)	471,218
Kenneth G. Leddon	59,373	5,400(2)	5.51	03/13/19		
	30,114	0	11.83	10/20/19		
	25,914	18,510(3)	6.95	03/11/20		
		22,660(4)	5.45	07/01/21		
					19,729(6)	61,752
					60,366(7)	188,946
Robert M. Hadley	55,206	5,021(2)	5.51	03/13/19		
	29,902	21,357(3)	6.95	03/11/20		
		26,146(4)	5.45	07/01/21		
						9,438(5)
					22,764(6)	71,251
					69,653(7)	218,014
Catherine F. Ratcliffe	60,000	0	15.43	05/12/14		
	50,000	0	18.78	07/26/14		
	63,984	0	11.04	03/07/15		
	26,990	0	10.40	01/05/17		
	54,164	4,927(2)	5.51	03/13/19		
	26,439	18,885(3)	6.95	03/11/20		
		23,119(4)	5.45	07/01/21		
					20,128(6)	63,001
					61,588(7)	192,770
Slim S. Souissi	25,000	0	16.27	04/29/14		
	21,333	0	11.04	03/07/15		
	30,000	0	10.40	01/05/17		
	93,746	8,527(2)	5.51	03/13/19		
	31,475	22,482(3)	6.95	03/11/20		
		27,522(4)	5.45	07/01/21		
					23,692(6)	74,156
					73,319(7)	229,488

(1) Based upon a market value per share of \$3.13, the closing price of our stock on December 30, 2011.

(2) Option vested as to one-third of the shares of common stock underlying the option on March 13, 2010 and the remaining two-thirds vest ratably on a monthly basis thereafter until fully vested on March 13, 2012.

(3) Option vested as to one-third of the shares of common stock underlying the option on March 11, 2011 and the remaining two-thirds vest ratably on a monthly basis thereafter until fully vested on March 11, 2013.

(4) Option shall vest as to one-third of the shares of common stock underlying the option on July 1, 2012 and the remaining two-thirds vest ratably on a monthly basis thereafter until fully vested on July 1, 2014.

- (5) Represents restricted stock units, of which one-third vested on March 13, 2010, one-third vested on March 13, 2011 and one-third vested on March 13, 2012.
- (6) Represents restricted stock units, of which one-third vested on March 11, 2011, one-third vested on March 11, 2012 and one-third will vest on March 11, 2013.
- (7) Represents restricted stock units, of which one-third will vest on July 1, 2012, one-third will vest on July 1, 2013 and one-third will vest on July 1, 2014.

Option Exercises and Stock Vested

The following table sets forth information regarding the vesting of restricted stock unit awards for each of the named executive officers during 2011.

<u>Name</u>	<u>Number of Shares Acquired on Vesting</u>	<u>Value Realized on Vesting(1)</u>
Peter V. Leparulo	73,960	\$ 417,874
Kenneth G. Leddon	29,813	176,238
Robert Hadley	20,818	117,622
Catherine F. Ratcliffe	23,954	135,340
Slim S. Souissi	36,019	203,507

- (1) Represents the number of shares of restricted stock vested multiplied by the closing price of our common stock on the applicable vesting date.

Potential Payments Upon Termination or Change in Control

We currently provide severance benefits to our named executive officers, in the event the executive's employment is terminated under certain circumstances following a change in control of the Company. We provide these benefits to Mr. Leparulo under an employment agreement and to each of Mr. Hadley, Mr. Leddon, Ms. Ratcliffe and Dr. Souissi under severance agreements. We also provide severance benefits unrelated to a change in control to Mr. Leparulo under his employment agreement. A description of the severance benefits payable under these agreements is set forth below.

Employment Agreement. Our employment agreement with Mr. Leparulo provides for payments and benefits to him in the event there is a change in control of the Company or his employment is terminated under the circumstances described below.

Termination Without Cause or for Good Reason. Mr. Leparulo is entitled to the following severance benefits if we terminate his employment without cause or if he terminates his employment for good reason:

- a severance payment equal to two times the sum of (a) his base salary, plus (b) the greater of the annual incentive award he would have earned for the year of termination (which is deemed to be no less than his target award for the year) and his base salary multiplied by the average annual incentive award, as a percentage of base salary, for the next three most senior executive officers;
- immediate vesting of all outstanding equity awards under our compensation plans, which awards will remain exercisable until the applicable expiration date;
- an amount equal to his unpaid base salary earned through the date of termination, unpaid annual incentive award earned for the previous year and annual incentive award earned in the year of termination pro-rated through the date of termination;
- outplacement services for one year, not to exceed \$20,000;
- continued participation for 24 months by Mr. Leparulo and his dependents in our group health plan, at the same benefit and contribution levels in effect immediately before the termination;

- payment for accrued vacation time; and
- a payment equal to the amount necessary to offset any excise taxes and any related income taxes, penalties and interest.

Under the agreement, termination without cause includes termination for any reason other than:

- willful gross misconduct, or a willful violation of a federal or state law applicable to the Company, that is materially adverse to the Company;
- a felony conviction; or
- a material breach of the employment agreement.

Mr. Leparulo is deemed to have terminated his employment for good reason if the termination follows:

- a material reduction in his duties;
- a reduction in his base salary or bonus opportunity;
- the termination of, or a material reduction in, his employee benefits;
- a relocation of his principal place of work by more than 40 miles;
- our breach of the employment agreement or any other agreement with him;
- a failure of any successor company to assume the employment agreement; or
- a failure by our stockholders to re-elect him as a director or the failure of the Board to appoint him as Chairman of the Board.

Termination in Connection with a Change in Control. If we terminate Mr. Leparulo's employment without cause within six months prior to a change in control of the Company or if he terminates his employment for any reason within one year following a change in control of the Company, he is entitled to receive the benefits listed above, except:

- the severance payment would be determined using a multiplier of three (instead of two); and
- the period of continued participation in our group health plan would be extended to 36 months (from 24 months).

Under the employment agreement, a change in control is defined as:

- a merger, consolidation or similar transaction, unless the holders of our common stock immediately prior to the transaction beneficially own more than 50% of the combined voting power of the surviving entity;
- a sale of all or substantially all of the Company's assets;
- a change in the composition of the Board, resulting in fewer than a majority of directors who either (a) were serving as a member of the Board one year prior to the transaction or (b) were nominated or elected by a majority of the directors serving one year prior to the transaction;
- a transaction after which an individual, entity or group owns 30% or more of the outstanding shares of our common stock; or
- a liquidation or dissolution of the Company.

Acceleration of Equity Awards in Connection with a Change in Control. Mr. Leparulo is entitled to immediate vesting of all outstanding equity awards under our compensation plans upon a change in control of the Company.

Termination for Cause. If we terminate Mr. Leparulo's employment for cause, he is entitled to receive any earned but unpaid compensation payable to him as of the date of termination, including base salary, any annual incentive award for the prior year and any annual incentive award for the year of termination pro-rated through the date of termination.

Termination Due to Death or Disability. In the event Mr. Leparulo's employment is terminated due to his death or disability, he or his beneficiary is entitled to receive his target annual incentive award for the year of termination plus any earned but unpaid compensation payable to him as of the date of termination, including base salary, any annual incentive award for the prior year and any annual incentive award for the year of termination pro-rated through the date of termination.

Termination Other than for Good Reason. In the event Mr. Leparulo terminates his employment other than for good reason, he is entitled to receive his target annual incentive award for the year of termination pro-rated through the date of termination, plus any earned but unpaid compensation payable to him as of the date of termination, including base salary, any annual incentive award for the prior year and any annual incentive award for the year of termination pro-rated through the date of termination.

Severance Agreements.

Severance Agreements with Ms. Ratcliffe and Dr. Souissi. We have entered into severance agreements with Ms. Ratcliffe and Mr. Souissi. These agreements provide for severance benefits if the executive's employment is terminated within one year following a change in control of the Company. If the executive's employment is terminated without cause or by the executive for good reason following a change in control of the Company, the executive is entitled to the following benefits:

- a lump-sum severance payment equal to three times the sum of (a) the greater of the executive's base salary for the year of termination and for the year in which the change in control occurs, plus (b) the greater of the executive's target annual incentive award for the year of termination and for the year in which the change in control occurs;
- immediate vesting of all outstanding equity awards under our compensation plans, which awards will remain exercisable for two years;
- an amount equal to his or her unpaid base salary through the date of termination and any other amounts owed to the executive under our compensation plans.
- one year of financial planning services at the same level provided to the executive immediately prior to the date of termination, or, if more favorable to the executive, immediately prior to the change in control;
- outplacement services for one year, not to exceed \$10,000;
- continued participation for 24 months by the executive and his or her dependents in our group health plan, at the same benefit and contribution levels in effect immediately before the termination; and
- a payment equal to the amount necessary to offset any excise taxes and any related income taxes, penalties and interest.

Under these severance agreements a change in control is defined in the same manner as Mr. Leparulo's employment agreement, except that the criteria based on the composition of the Board requires a majority of the continuing directors to have served, or been nominated or elected by those directors who had served, two years (compared to one year for Mr. Leparulo) prior to the transaction.

Under these severance agreements, termination without cause includes termination for any reason other than:

- a failure by the executive to perform his or her duties (other than for disability or following receipt of notice of termination);

- a fraud or dishonesty resulting in material injury to the Company;
- a violation of a federal or state law applicable to the Company; or
- a felony conviction.

Each of the executives will be deemed to have terminated his or her employment for good reason if the termination follows:

- a reduction in the executive's duties (including if we cease to be a publicly-traded company);
- a reduction in the executive's base salary or bonus opportunity;
- a relocation of the executive's principal place of work by more than 30 miles;
- our failure to pay any current compensation;
- a material reduction in the executive's benefits;
- a failure of any successor company to assume the agreement;
- an alleged termination for cause that is communicated to the executive without proper notice under the agreement; or
- our breach of the agreement that is materially adverse to the executive.

Severance Agreements with Mr. Hadley and Mr. Leddon. In 2010, we entered into severance agreements with Mr. Hadley and Mr. Leddon. These agreements provide for severance benefits if the executive's employment is terminated within two years following a change in control of the Company. If the executive's employment is terminated without cause or by the executive for good reason following a change in control of the Company, the executive is entitled to the following benefits:

- a lump-sum severance payment equal to three times the sum of (a) the greater of the executive's base salary immediately prior to termination and prior to the change in control, plus (b) the executive's target annual incentive award in the year of termination;
- immediate vesting of all outstanding equity awards under our compensation plans, which awards will remain exercisable for two years; provided that performance awards will accelerate based on the pro-rated portion of the performance period during which the executive served;
- an amount equal to his or her unpaid base salary and incentive pay through the date of termination and any other amounts owed to the executive under our compensation plans;
- a lump-sum bonus payment equal to the pro-rated portion of the target bonus in the year of termination;
- outplacement services for one year, not to exceed \$25,000; and
- continued participation for 24 months by the executive and his dependents in our group health plan, at the same benefit and contribution levels in effect immediately before the termination.

These severance agreements do not provide for any additional payments by the Company for excise or other taxes.

Under these severance agreements a change in control is defined in the same manner as Mr. Leparulo's employment agreement, except that the criteria based on the composition of the Board requires a majority of the continuing directors to have been approved by a vote of at least two-thirds of the directors serving at the time of the nomination or election and excludes from the definition directors who were nominated in an actual or threatened election contest.

Under these severance agreements, termination without cause includes termination for any reason other than:

- conviction of a criminal violation involving fraud, embezzlement or theft in connection with the executive's duties or in the course of employment;
- commission of intentional wrongful damage to the Company's property;
- commission of intentional wrongful disclosure of the Company's confidential information;
- commission of intentional engagement in prohibited competitive activity; or
- any act that has caused or will cause demonstrable and material harm to the Company.

Each of the executives will be deemed to have terminated his or her employment for good reason if the termination follows:

- a material reduction in the executive's base salary (excluding reductions that apply to all executive officers) or bonus opportunity;
- a relocation of the executive's principal place of work by more than 50 miles;
- a failure of any successor company to assume the agreement; or
- our breach of the agreement that is materially adverse to the executive.

Equity Award Agreements. The following is a summary of the vesting provisions applicable to the outstanding equity awards held by our named executive officers as of December 31, 2011.

2009 Omnibus Incentive Compensation Plan. The award agreements covering grants of stock options and restricted stock units made to our named executive officers under our 2009 Omnibus Incentive Compensation Plan provide that the Board, in its discretion, may accelerate the vesting of any unvested options or units in the event of a change in control.

Under our 2009 Omnibus Incentive Compensation Plan, a change in control is defined as:

- any person becoming the beneficial owner of 50% or more of the combined voting power of the then-outstanding shares of our common stock, subject to certain exceptions;
- a majority of the Board ceasing to be comprised of directors who (a) were serving as members of the Board on June 18, 2009 or (b) became members of the Board after June 18, 2009 and whose nomination, election or appointment was approved by a vote of two-thirds of the then-incumbent directors;
- a reorganization, merger, consolidation, sale of all or substantially all of the assets of the Company or similar transaction, unless the holders of our common stock immediately prior to the transaction beneficially own more than 50% of the combined voting power of the shares of the surviving entity and certain other conditions are satisfied; or
- a liquidation or dissolution of the Company approved by the Company's stockholders.

2000 Stock Incentive Plan. The award agreements covering stock option grants previously made to our named executive officers under our 2000 Stock Incentive Plan provide that the stock options will remain exercisable for up to 270 days following the date of an executive's termination for any reason.

Summary of Potential Termination Benefits. The following tables quantify the compensation and benefits that would have been payable to the named executive officers under the agreements described above if the executive's employment had terminated on December 31, 2011, given the executive's base salary, and, if applicable, the closing price of our common stock, as of that date. In addition, for the purposes of these tables we have assumed that each officer achieved his or her target award under the Company's annual incentive plan for 2011. The amounts shown in the tables do not include payments and benefits, such as accrued salary and accrued vacation, to the extent that such payments and benefits are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. In addition, we have assumed that the Board does not exercise its discretion to accelerate the vesting of outstanding equity awards in the event of a change in control.

Peter V. Leparulo
Chairman and Chief Executive Officer

<u>Benefits and Payments</u>	<u>Voluntary Termination</u>	<u>Involuntary Termination for Cause</u>	<u>Involuntary Termination Without Cause or for Good Reason</u>	<u>Change in Control Only</u>	<u>Change in Control and Termination</u>	<u>Death</u>	<u>Disability</u>
Cash Severance	—	—	\$1,848,000	—	\$2,772,000	—	—
Annual Incentive Award	\$ 462,000	\$ 462,000	462,000	—	462,000	\$462,000	\$462,000
Acceleration of Equity Awards	—	—	625,223	\$625,223	625,223	—	—
Health Benefits	—	—	13,074	—	19,611	—	—
Outplacement Services	—	—	20,000	—	20,000	—	—
Insurance Benefits	—	—	—	—	—	500,000	—
Excise Tax Payment	—	—	—	—	—	—	—
Totals:	<u>\$ 462,000</u>	<u>\$ 462,000</u>	<u>\$2,968,297</u>	<u>\$625,223</u>	<u>\$3,898,834</u>	<u>\$962,000</u>	<u>\$462,000</u>

Kenneth G. Leddon
Senior Vice President and Chief Financial Officer

<u>Benefits and Payments</u>	<u>Voluntary Termination</u>	<u>Involuntary Termination</u>	<u>Change in Control Only</u>	<u>Change in Control and Termination Without Cause or for Good Reason</u>	<u>Death</u>
Cash Severance	—	—	—	\$1,282,500	—
Annual Incentive Award	\$ 142,500	\$ 142,500	—	142,500	\$142,500
Acceleration of Equity Awards	—	—	—	250,697	—
Health Benefits	—	—	—	31,286	—
Outplacement Services	—	—	—	25,000	—
Insurance Benefits	—	—	—	—	500,000
Excise Tax Payment	—	—	—	—	—
Totals:	<u>\$ 142,500</u>	<u>\$ 142,500</u>	<u>—</u>	<u>\$1,731,983</u>	<u>\$642,500</u>

Robert M. Hadley
Chief Marketing Officer

<u>Benefits and Payments</u>	<u>Voluntary Termination</u>	<u>Involuntary Termination</u>	<u>Change in Control Only</u>	<u>Change in Control and Termination Without Cause or for Good Reason</u>	<u>Death</u>
Cash Severance	—	—	—	\$1,282,500	—
Annual Incentive Award	\$ 142,500	\$ 142,500	—	142,500	\$142,500
Acceleration of Equity Awards	—	—	—	318,806	—
Health Benefits	—	—	—	41,688	—
Outplacement Services	—	—	—	25,000	—
Insurance Benefits	—	—	—	—	500,000
Excise Tax Payment	—	—	—	—	—
Totals:	<u>\$ 142,500</u>	<u>\$ 142,500</u>	<u>—</u>	<u>\$1,810,494</u>	<u>\$642,500</u>

Catherine F. Ratcliffe
Senior Vice President of Business Affairs, General Counsel and Secretary

<u>Benefits and Payments</u>	<u>Voluntary Termination</u>	<u>Involuntary Termination</u>	<u>Change in Control Only</u>	<u>Change in Control and Termination Without Cause or for Good Reason</u>	<u>Death</u>
Cash Severance	—	—	—	\$1,215,000	—
Annual Incentive Award	\$ 135,000	\$ 135,000	—	135,000	\$135,000
Acceleration of Equity Awards	—	—	—	255,771	—
Health Benefits	—	—	—	26,866	—
Outplacement Services	—	—	—	10,000	—
Insurance Benefits	—	—	—	—	500,000
Excise Tax Payment	—	—	—	0	—
Totals:	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>—</u>	<u>\$1,642,637</u>	<u>\$635,000</u>

Slim S. Souissi
Senior Vice President and Chief Technology Officer

<u>Benefits and Payments</u>	<u>Voluntary Termination</u>	<u>Involuntary Termination</u>	<u>Change in Control Only</u>	<u>Change in Control and Termination Without Cause or for Good Reason</u>	<u>Death</u>
Cash Severance	—	—	—	\$1,350,000	—
Annual Incentive Award	\$ 150,000	\$ 150,000	—	150,000	\$150,000
Acceleration of Equity Awards	—	—	—	304,490	—
Health Benefits	—	—	—	41,688	—
Outplacement Services	—	—	—	10,000	—
Insurance Benefits	—	—	—	—	500,000
Excise Tax Payment	—	—	—	0	—
Totals:	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>—</u>	<u>\$1,856,178</u>	<u>\$650,000</u>

PROPOSAL 2
ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are asking stockholders to approve an advisory resolution on our executive compensation as reported in this proxy statement.

In making decisions with respect to compensation for our executive officers, the Compensation Committee is guided by a pay-for-performance philosophy. The Compensation Committee believes that a significant portion of each executive’s total compensation opportunity should vary with achievement of the Company’s annual and long-term financial, operational and strategic goals. In designing the compensation program for our executive officers, the Compensation Committee seeks to achieve the following key objectives:

- *Motivate Executives.* The compensation program should encourage our executive officers to achieve the Company’s annual and long-term goals.
- *Alignment with Stockholders.* The compensation program should align the interests of our executives with those of our stockholders, promoting actions that will have a positive impact on total stockholder return over the long term.
- *Attract and Retain Talented Executives.* The compensation program should provide each executive officer with a total compensation opportunity that is market competitive. This objective is intended to ensure that we are able to attract and retain executives while maintaining an appropriate cost structure for the Company.

We believe our executive compensation is structured in the manner that best serves the interests of the Company and its stockholders. We encourage stockholders to read the Compensation Discussion and Analysis section of this proxy statement which provides a more thorough review of our compensation philosophy and how that philosophy was implemented in 2011.

Effect of Proposal

The resolution to approve our executive compensation is non-binding on us and our Board and Compensation Committee. As a result, the Board and Compensation Committee retain discretion to change executive compensation from time to time if they conclude that such a change would be in the best interest of the Company. No determination has been made as to what action, if any, would be taken if our stockholders fail to approve executive compensation. However, our Board and its Compensation Committee value the opinions of stockholders and will carefully consider the results of this advisory vote.

Recommendation and Vote Required

Our Board recommends that stockholders vote FOR the approval of executive compensation. The proxy holders will vote all proxies received FOR approval of this proposal unless instructed otherwise. Approval of this proposal requires the affirmative vote of a majority of the outstanding shares of common stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting. Because abstentions are counted as present for purposes of the vote on this matter but are not votes FOR this proposal, they have the same effect as votes AGAINST this proposal. Broker non-votes will not have any effect on this proposal.

The Board Recommends a Vote FOR Proposal 2.

Transactions with Related Persons

Pursuant to the Audit Committee charter, the Audit Committee is responsible for reviewing and approving transactions with a related person (as defined in SEC regulations). In considering related-person transactions, the Audit Committee takes into account the relevant available facts and circumstances including:

- the risks, costs and benefits to the Company;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself from the deliberations and approval. To decide whether to approve, ratify or reject a related-person transaction, the Audit Committee determines in good faith whether the transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The tables below provide information regarding the beneficial ownership of our common stock as of March 31, 2012 by:

- each of our directors;
- each of our named executive officers;
- all directors and executive officers as a group; and
- each beneficial owner of more than five percent of our common stock.

The tables below list the number and percentage of shares beneficially owned based on 32,384,695 shares of common stock outstanding as of March 31, 2012. Beneficial ownership is determined in accordance with SEC rules and regulations, and generally includes voting power or investment power with respect to securities held. Unless otherwise indicated and subject to applicable community property laws, we believe that each of the stockholders named in the table below has sole voting and investment power with respect to the shares shown as beneficially owned.

Directors and Named Executive Officers

<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned(1)</u>	<u>Percentage</u>
Peter V. Leparulo	1,108,389	3.34%
Russell Gerns	33,102	*
James Ledwith	54,756	*
John Wakelin(2)	32,805	*
David A. Werner	177,156	*
Robert Hadley	131,187	*
Kenneth G. Leddon	166,233	*
Catherine F. Ratcliffe	349,176	*
Slim S. Souissi	304,611	*
All directors and executive officers as a group (10 persons)(3)	2,612,639	7.6

* Less than 1%.

- (1) Includes shares of our common stock that may be acquired pursuant to stock options that are or will become exercisable within 60 days after April 22, 2012 as follows: Mr. Gerns (18,524 shares), Mr. Hadley (97,248 shares), Mr. Leddon (126,971 shares), Mr. Ledwith (35,749 shares), Mr. Leparulo (840,017 shares), Ms. Ratcliffe (292,809 shares), Dr. Souissi (217,575 shares), Gen. Wakelin (18,823 shares) and Mr. Werner (150,749 shares).
- (2) Includes 1,730 shares of our common stock issuable upon the settlement of restricted stock units, which will vest on May 18, 2012.
- (3) Includes 2,007,321 shares of our common stock that may be acquired pursuant to stock options that are or will become exercisable and 1,730 shares of our common stock issuable upon settlement of restricted stock units in each case within 60 days after March 31, 2012.

Five Percent Holders

The following table sets forth information regarding the number and percentage of shares of common stock held by all persons and entities known by us to beneficially own five percent or more of our outstanding common stock. The information regarding beneficial ownership of the entities identified below is included in reliance on a report filed by the entity with the SEC, except that the percentage is based upon our calculations made in reliance upon the number of shares reported to be beneficially owned by such entity in such report and the number of shares of common stock outstanding on March 31, 2012.

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage</u>
Royce & Associates, LLC(1) 745 Fifth Avenue New York, New York 10151	3,820,076	11.8%
Severn River Capital Management, LLC(2) 12 Havemeyer Place, 1 st Floor Greenwich, CT 06830	2,716,730	8.39%
BlackRock, Inc.(3) 40 East 52 nd Street New York, New York 10022	2,552,731	7.88%
Vanguard Group(4) 100 Vanguard Blvd. Malvern, PA 19355	1,703,375	5.26%

- (1) According to a Schedule 13G/A filed by Royce & Associates, LLC (“Royce”) with the SEC on January 19, 2012, Royce has sole voting power and sole dispositive power with respect to 3,820,076 shares. The Schedule 13G/A provides that Royce is an investment advisor.
- (2) According to a Schedule 13G/A filed by Severn River Capital Management, LLC. (“Severn”) with the SEC on February 14, 2012, Severn has sole voting power and sole dispositive power with respect to 2,716,730 shares.
- (3) According to a Schedule 13G/A filed by . (“BlackRock”) with the SEC on February 10, 2012, BlackRock has sole voting power and sole dispositive power with respect to 2,552,731 shares.
- (4) According to a Schedule 13G filed by Vanguard Group (“Vanguard”) with the SEC on February 8, 2012, Vanguard has sole voting power with respect to 45,310 shares, sole dispositive power with respect to 1,658,065 shares and shared dispositive power with respect to 45,310 shares.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2011, the Purchase Plan and the 2009 Incentive Plan were the only compensation plans under which securities of the Company were authorized for issuance. These plans, including amendments, were approved by our stockholders. The Company does not have any equity plans that have not been approved by stockholders. The following table provides information as of December 31, 2011 regarding the Company's existing and predecessor plans.

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans approved by security holders(1)	4,481,447(2)	\$ 10.58(3)	2,579,932(4)

- (1) As of March 31, 2012, 4,553,653 shares of common stock were issuable upon exercise of outstanding options with a weighted-average exercise price of \$10.26. As of that date, there were outstanding restricted stock awards for 1,917,125 shares. No warrants or rights were outstanding as of that date. As of March 31, 2012, there were 581,422 shares of our common stock available for issuance under the 2009 Incentive Plan and 1,086,969 shares of common stock available under the Purchase Plan.
- (2) The 1,294,061 shares issuable upon vesting of outstanding restricted stock units are excluded.
- (3) As of March 31, 2012, the weighted-average term of the outstanding options was 5.29 years. No warrants or rights were outstanding as of that date.
- (4) Represents shares available for future issuance under the 2009 Incentive Plan and the Purchase Plan. As of December 31, 2011, there were 1,492,963 shares of our common stock available for issuance under the 2009 Incentive Plan and 1,086,969 shares of our common stock available for issuance under the Purchase Plan.

PROPOSAL 3

**RATIFICATION OF APPOINTMENT OF
ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM FOR 2012**

The Audit Committee has appointed Ernst & Young LLP as the company's independent registered public accounting firm for 2012. The Board is asking stockholders to ratify this appointment. Although SEC regulations require the company's independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board considers the selection of an independent registered public accounting firm to be an important matter to stockholders and considers a proposal for stockholders to ratify such appointment to be an opportunity for stockholders to provide input to the Audit Committee and the Board on a key corporate governance issue. In the event that our stockholders do not ratify the appointment, it will be considered as a direction to our audit committee to consider the selection of a different firm.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of Ernst & Young. Abstentions will have the effect of a vote against this proposal.

Representatives of Ernst & Young are expected to be present at the Annual Meeting and will be offered the opportunity to make a statement if they so desire. They will also be available to answer questions.

The Board Recommends a Vote FOR Proposal 3.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Selection

Ernst & Young LLP has been appointed by the Audit Committee to serve as the Company's independent registered public accounting firm for 2012. Representatives of Ernst & Young are expected to be present at the Annual Meeting and will be offered the opportunity to make a statement if they so desire. They will also be available to answer questions.

Audit and Non-Audit Fees

The following table sets forth fees for audit services rendered by Ernst & Young for the audit of our consolidated financial statements for 2011 and 2010, and fees for other services rendered by Ernst & Young.

	2011		2010	
	E&Y	KPMG	E&Y	KPMG
Audit Fees(1)	\$1,303,338	\$75,000	\$ 943,086	\$ 50,000
Audit-Related Fees	0	0	0	0
Tax Fees	0	0	0	0
All Other Fees(2)	0	0	434,689	318,555
Total	<u>\$1,303,338</u>	<u>\$75,000</u>	<u>\$1,377,775</u>	<u>\$ 368,555</u>

- (1) Audit fees consist principally of fees for the audit of our annual consolidated financial statements, review of our interim consolidated financial statements and the audit of internal control over financial reporting.
- (2) All other fees include other support services related to our acquisition activities and litigation matters.

Pre-Approval Policies and Procedures

The Audit Committee annually reviews and pre-approves certain audit and non-audit services that may be provided by our independent registered public accounting firm and establishes and pre-approves the aggregate fee level for these services. Any proposed services that would cause us to exceed the pre-approved aggregate fee amount must be pre-approved by the Audit Committee. All audit and non-audit services for 2011 were pre-approved by the Audit Committee.

AUDIT COMMITTEE REPORT

The Audit Committee assists the Board in fulfilling its responsibility to oversee management's implementation of the Company's financial reporting process. The Audit Committee Charter can be viewed on the Company's Website site at www.novatelwireless.com and is available in print upon request. In discharging its oversight role, the Audit Committee reviewed and discussed the audited financial statements contained in the 2011 Annual Report on Form 10-K with the Company's management and its independent registered public accounting firm. Management is responsible for the financial statements and the reporting process, including the system of disclosure controls and procedures and internal control over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of the Company's financial statements with accounting principles generally accepted in the United States and on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee met with the independent registered public accounting firm and discussed issues deemed significant by the accounting firm, and the Audit Committee has discussed with the independent auditors the matters required to be discussed by the Public Company Accounting Oversight Board. In addition, the Audit Committee discussed with the independent registered public accounting firm its independence from the Company and its management; received the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence; and considered whether the provision of nonaudit services was compatible with maintaining the accounting firm's independence.

In reliance on the reviews and discussions outlined above, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, for filing with the SEC.

Audit Committee

David A. Werner, Chair

Russell Gerns

James Ledwith

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who beneficially own more than 10% of our common stock to file initial reports of beneficial ownership and reports of changes in beneficial ownership with the SEC. These reporting persons are required by SEC rules to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms furnished to us and written representations from our directors and executive officers, we believe that all Section 16(a) filing requirements applicable to our directors, executive officers and greater than 10% stockholders were complied with during 2011.

STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING OF STOCKHOLDERS

In order to be included in our proxy materials for our 2013 Annual Meeting of Stockholders, a stockholder proposal must be received in writing by the Company at Novatel Wireless, Inc., Attention: Corporate Secretary, 9645 Scranton Road, San Diego, California 92121, by January 28, 2013, and otherwise comply with all requirements of the SEC and our certificate of incorporation and bylaws for stockholder proposals.

If you do not wish to submit a proposal for inclusion in next year's proxy materials, but instead wish to present it directly at the 2012 Annual Meeting of Stockholders, you must give timely written notice of the proposal to our Corporate Secretary. To be timely, the notice must be received no earlier than March 6, 2013 and no later than April 3, 2013. The notice must describe the stockholder proposal in reasonable detail and provide certain other information required by our by-laws, a copy of which is available upon request from our Corporate Secretary at the above address.

OTHER MATTERS

The Board is not aware of any other matter of business that may be brought before the Annual Meeting. However, if any other matter properly comes before the Annual Meeting, it is intended that the enclosed proxy card will be voted in accordance with the judgment of the persons voting the proxy.

By Order of the Board of Directors,



Catherine F. Ratcliffe
*Senior Vice President of Business Affairs,
General Counsel and Secretary*

May 15, 2012

Annual Meeting of Stockholders—June 28, 2012

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

The undersigned stockholder(s) of Novatel Wireless, Inc. (the "Company") acknowledges receipt of a copy of the Notice of Annual Meeting and Proxy Statement, each dated May 15, 2012, and, revoking any proxy heretofore given, hereby appoints Peter V. Leparulo and Catherine F. Ratcliffe, and each of them, the proxy of the undersigned, with full power of substitution, to vote all stock of the Company which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held on Thursday, June 28, 2012, at 2:00 p.m., local time, at the Hyatt House San Diego, 10044 Pacific Mesa Blvd., San Diego, California 92121, and any adjournments or postponements thereof, as fully and with the same force and effect as the undersigned might or could do if personally present thereat, as set forth herein.

When properly executed, this Proxy will be voted as directed herein or, if not otherwise indicated, will be voted FOR the director nominee in Proposal 1, FOR approval of Proposals 2 and 3. In their discretion, the proxy holders are authorized to vote upon such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 28, 2012: THE NOTICE OF THE ANNUAL MEETING, PROXY STATEMENT AND ANNUAL REPORT ARE AVAILABLE AT WWW.NVTL.COM/PROXYMATERIALS.

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.



Please complete, sign, date and return this Proxy as promptly as possible in the postage-paid return envelope provided.

DETACH PROXY CARD HERE

PLEASE DETACH HERE

*** You Must Detach This Portion of the Proxy Card Before Returning it in the Enclosed Envelope ***

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE DIRECTOR NOMINEES IN PROPOSAL 1, "FOR" PROPOSALS 2 AND 3.

Proposals:

- 1. Election of Director
01 - Peter Leparulo For Withhold
2. To approve, on an advisory basis, the compensation of the Company's named executive officers. For Withhold Abstain
3. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2012. For Withhold Abstain

Non-Voting Items

Change of Address—Please print new address below.

Empty box for change of address

Meeting Attendance

Mark box to the right if you plan to attend the Meeting.

Authorized Signatures—This section must be completed for your vote to be counted.—Date and Sign Below

Please date this Proxy and sign your name as it appears on your stock certificate. Executors, administrators, trustees, etc., should give their full titles. All joint owners should sign.

Date (mm/dd/yyyy)—Please print date below.

Empty box for date

Signature 1—Please keep signature within the box.

Empty box for signature 1

Signature 2—Please keep signature within the box.

Empty box for signature 2