

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): April 10, 2016

NOVATEL WIRELESS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-31659
(Commission file number)

86-0824673
(I.R.S. Employer
identification number)

**9645 Scranton Road
San Diego, California 92121**
(Address of principal executive offices) (Zip Code)

(858) 812-3400
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.*Asset Purchase Agreement*

On April 11, 2016 (the “Closing Date”), Novatel Wireless, Inc. (the “Company”) consummated the sale of certain hardware modules and related assets (the “Transaction”) to Telit Technologies (Cyprus) Limited (“Telit Technologies”) and Telit Wireless Solutions, Inc. (“Telit Wireless,” and together with Telit Technologies, the “Purchasers”) pursuant to the terms of that certain Asset Purchase Agreement dated April 11, 2016 (the “Purchase Agreement”).

In connection with the Transaction, the Company is entitled to receive an initial purchase price of \$11.0 million in cash, subject to adjustment in connection with the terms of the Purchase Agreement. The initial purchase price of \$11.0 million includes \$9.0 million that was paid to the Company on the Closing Date, \$1.0 million to be retained by the Purchasers and paid to the Company in equal quarterly installments over a two-year period in connection with the provision by the Company of certain transition services and \$1.0 million to be retained by the Purchasers and paid to the Company following the satisfaction of certain conditions by the Company, including the assignment of specified contracts and the delivery of certain certifications and approvals. The Company is also entitled to receive an additional cash payment of approximately \$3.75 million from the Purchasers within 90 days of the Closing Date. This additional cash payment will be applied to the purchase of module product inventory from the Company. Of the approximately \$3.75 million payment, \$1.0 million will be retained by the Purchasers and paid to the Company in equal quarterly installments over the two-year period following the Closing Date in connection with the provision by the Company of certain transition services. In addition to the above, the Company may be entitled to receive a subsequent earn-out payment following the closing of the Transaction if certain conditions are met. In the event that the Purchasers’ aggregate gross revenue attributable to the sales of certain module products during the two-year period immediately following the Closing Date exceeds \$40.0 million, the Purchasers will be required to pay the Company an amount in cash equal to 25% of such excess (but in no event shall such payment exceed \$7.5 million).

The Company entered into certain ancillary agreements in connection with the Transaction, including: (i) that certain Transition Services Agreement, dated April 11, 2016, by and between the Company and the Purchasers, pursuant to which the Company agreed to provide the Purchasers with certain services over a transition period; (ii) that certain Manufacturing and Supply Agreement, dated April 11, 2016, by and between the Company and Telit Wireless, pursuant to which the Company has the right, but not the obligation, to purchase module products from Telit Wireless for incorporation into certain Novatel Wireless hardware products; and (iii) that certain Intellectual Property License Agreement, dated April 11, 2016, by and between the Company and Telit Technologies, whereby the Company granted Telit Technologies a license to develop, manufacture and sell certain types of module products.

Item 1.02. Termination of a Material Definitive Agreement.

On April 10, 2016, the Company terminated that certain Asset Purchase Agreement, dated February 18, 2016, by and between the Company and Micronet Enertec Technologies, Inc. (the “Micronet Agreement”) in accordance with its right to terminate such agreement pursuant to Section 7.1(b) thereunder.

Item 8.01. Other Events.

On April 11, 2016, the Company issued a press release announcing the closing of the Transaction and the termination of the Micronet Agreement. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.*(d) Exhibits.*

99.1 Press Release, dated April 11, 2016.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to a variety of matters, including, without limitation, statements regarding the anticipated or expected benefits to be realized by the Company in connection with the Transaction. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of the Company and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise, except as may be required by law. These forward-looking statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. Specific risks and uncertainties that could affect the forward-looking statements set forth in this Current Report on Form 8-K include: the challenges and costs of restructuring the Company’s remaining business activities, and achieving any anticipated benefits from the Transaction; the distraction of management or other diversion of valuable resources within each company caused by the Transaction; and factors generally affecting the business, operations, and financial condition of the Company, including the information contained in Novatel Wireless’ Annual Report on Form 10-K for the year ended December 31, 2015 and other reports and filings with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Novatel Wireless, Inc.

By: /s/ Lance Bridges

Lance Bridges

*Senior Vice President, General
Counsel and Secretary*

Date: April 13, 2016



Novatel Wireless Completes \$14.75 Million Sale of Hardware Module Product Lines to Telit Wireless Solutions, Inc.

Asset Sale Helps Streamline Operations and Accelerate Corporate Focus on SaaS & Services

SAN DIEGO, April 11, 2016 (GLOBE NEWSWIRE) -- Novatel Wireless, Inc. (Nasdaq:MIFI) (the "Company"), a leading provider of solutions for the Internet of Things (IoT), including software-as-a-service (SaaS), today announced it has completed the sale of certain of its hardware modules and related assets to Telit Wireless Solutions, Inc. ("Telit"), for an upfront purchase price of \$11 million in cash, approximately \$3.75 million in additional cash payment for inventory within 90 days, and subsequent earn-out amounts that may be paid following the closing of the transaction if certain conditions are met. In connection with the sale, Novatel Wireless granted Telit a license to develop, manufacture and sell certain of the Company's cellular modules, including subsequent versions currently in development. Novatel Wireless and Telit also entered into a manufacturing and supply agreement whereby Novatel Wireless has agreed to purchase modules from Telit following the closing of the transaction that will be incorporated in certain Novatel Wireless hardware products going forward.

"The disposition of these modules assets accelerates our Company's transformation from a hardware-centric manufacturer to a true provider of IoT SaaS and Solutions," said Sue Swenson, Chief Executive Officer of Novatel Wireless. "We believe partnering with Telit and leveraging its broad modules portfolio will provide added flexibility and operational savings as Novatel Wireless expands its global SaaS & Services offerings."

Asset Sale to Micronet Enertec Technologies

Novatel Wireless also terminated its previously announced asset purchase agreement with Micronet Enertec Technologies, Inc., (NASDAQ:MICT), which related to the sale of the Company's telematics hardware business to Micronet. The Company remains interested in divesting its telematics hardware business to a third party, and the termination of the agreement with Micronet, among other things, permits the Company to solicit interest in an asset divestiture transaction from additional third parties, which may include Micronet.

"We will continue to explore opportunities to engage in a transaction for our telematics hardware business as we reposition Novatel Wireless as a full solutions provider, with comprehensive offerings consisting of SaaS and services in combination with underlying hardware," said Sue Swenson, Chief Executive Officer of Novatel Wireless.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to a variety of matters, including, without limitation, statements regarding the anticipated or expected benefits from the sale. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of the Company and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise, except as may be required by law. These forward-looking statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. Specific risks and uncertainties that could affect the forward-looking statements set forth in this press release include: the challenges and costs of restructuring the Company's remaining business activities, and achieving any anticipated benefits from the proposed transaction; the distraction of management or other diversion of valuable resources within each company caused by the proposed transaction; and factors generally affecting the business, operations, and financial condition of the Company, including the information contained in Novatel Wireless' Annual Report on Form 10-K for the year ended December 31, 2015, subsequent Quarterly Reports on Form 10-Q, and other reports and filings with the SEC.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction, the Company will file documents with the SEC, including a Current Report on Form 8-K relating to the proposed transaction. Investors and security holders are urged to read these documents when they become available because they will contain important information about the Company and the proposed transaction. Investors and security holders may obtain free copies of these documents and other related documents filed with the SEC at the SEC's web site at <http://www.sec.gov> or by directing a request to Novatel Wireless, Inc., 9645 Scranton Road, Suite 205, San Diego, California 92121, Attention: Stockholder Services.

ABOUT NOVATEL WIRELESS

Novatel Wireless, Inc. (Nasdaq:MIFI) is a leading global provider of solutions for the Internet of Things (IoT), including software-as-a-service (SaaS) solutions for the fleet telematics market. Our innovative products and solutions provide anywhere, anytime communications and analytics for consumers and businesses of all sizes, with approximately 158,000 subscribed fleet vehicles for Ctrack among the Company's 520,000 global subscribers. Novatel Wireless, Inc. is headquartered in San Diego, California. www.novatelwireless.com. @MIFI (Twitter)

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