

MULTIBAND CORP  
Form 10-Q  
May 15, 2008

---

---

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

FORM 10-Q

(Mark One)

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

FOR THE PERIOD ENDING MARCH 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES AND EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 0 - 1325

\_\_\_\_\_  
MULTIBAND CORPORATION  
(Exact name of registrant as specified in its charter)

**MINNESOTA**  
(State or other jurisdiction of incorporation or organization)

**41 - 1255001**  
(IRS Employer Identification No.)

**9449 Science Center Drive, New Hope, Minnesota 55428**  
(Address of principal executive offices)

**Telephone (763) 504-3000 Fax (763) 504-3060**

**Internet: [www.multibandusa.com](http://www.multibandusa.com)**

(Registrant's telephone number, facsimile number, and Internet address)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Edgar Filing: MULTIBAND CORP - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer   
Non-accelerated filer  (do not check if a smaller reporting company)      Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

On May 9, 2008 there were 9,489,826 shares outstanding of the registrant's common stock, no par value, and 312,145 outstanding shares of the registrant's convertible preferred stock.

---

---

---

**PART I. FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

**MULTIBAND CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended	
	March 31, 2008 (unaudited)	March 31, 2007 (unaudited)
<b>REVENUES</b>	\$ 5,714,229	\$ 4,384,955
<b>COSTS AND EXPENSES</b>		
Cost of products and services (exclusive of depreciation and amortization shown separately below)	3,820,198	2,178,046
Selling, general and administrative	1,855,283	2,389,256
Depreciation and amortization	737,707	1,049,698
Impairment of assets	58,046	-
<b>Total costs and expenses</b>	<b>6,471,234</b>	<b>5,617,000</b>
<b>LOSS FROM OPERATIONS</b>	<b>(757,005)</b>	<b>(1,232,045)</b>
<b>OTHER EXPENSE</b>		
Interest expense	(100,659)	(153,407)
Other income	40,183	23,057
<b>Total other expense</b>	<b>(60,476)</b>	<b>(130,350)</b>
<b>LOSS BEFORE INCOME TAXES AND MINORITY INTEREST IN SUBSIDIARY</b>	<b>(817,481)</b>	<b>(1,362,395)</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>28,500</b>	<b>-</b>
<b>MINORITY INTEREST IN NET INCOME OF SUBSIDIARY</b>	<b>18,417</b>	<b>-</b>
<b>NET LOSS</b>	<b>(864,398)</b>	<b>(1,362,395)</b>
Preferred stock dividends	3,881,020	239,927
<b>LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (4,745,418)</b>	<b>\$ (1,602,322)</b>
<b>BASIC AND DILUTED LOSS PER COMMON SHARE:</b>		
<b>NET LOSS</b>	<b>\$ (.56)</b>	<b>\$ (.23)</b>
<b>LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (.56)</b>	<b>\$ (.23)</b>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED</b>	<b>8,497,734</b>	<b>7,087,561</b>

See notes to condensed consolidated financial statements



**MULTIBAND CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three Months Ended	
	March 31, 2008 (unaudited)	March 31, 2007 (unaudited)
<b>NET LOSS</b>	\$ (864,398)	\$ (1,362,395)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX:</b>		
Unrealized gains on securities:		
Unrealized holding gains arising during period	208,969	-
<b>COMPREHENSIVE LOSS</b>	\$ (655,429)	\$ (1,362,395)

See notes to condensed consolidated financial statements

**MULTIBAND CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

*ASSETS*

	March 31, 2008 (unaudited)	December 31, 2007 (audited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,303,397	\$ 944,456
Accounts receivable, net	3,867,868	1,560,123
Securities available for sale	208,969	-
Inventories	1,318,586	132,992
Prepaid expenses and other	229,159	135,589
Current portion of notes receivable	62,954	59,861
Total Current Assets	12,990,933	2,833,021
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>1,683,423</b>	<b>1,769,261</b>
<b>OTHER ASSETS</b>		
Goodwill	116,757	16,757
Intangible assets, net	6,598,691	4,072,076
Notes receivable - long-term, net	41,921	-
Other assets	604,064	202,314
Total Other Assets	7,361,433	4,291,147
<b>TOTAL ASSETS</b>	<b>\$ 22,035,789</b>	<b>\$ 8,893,429</b>

*LIABILITIES AND STOCKHOLDERS' EQUITY*

**CURRENT LIABILITIES**

Mandatory redeemable preferred stock, 20,526 and 22,026 Class F preferred shares	\$ 205,256	\$ 220,256
Current portion of long-term debt	1,555,542	1,658,342
Current portion of capital lease obligations	221,325	225,291
Accounts payable	6,658,711	2,950,596
Accrued liabilities	3,523,272	2,531,611
Customer deposits	60,582	