

UCN INC
Form 8-K
March 14, 2008

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 and Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 2008

UCN, INC.

(Exact name of registrant as specified in its charter)

0-26917

(Commission File No.)

Delaware
(State or other jurisdiction of

87-0528557
(IRS Employer Identification No.)

incorporation or organization)

7730 S. Union Park Ave., Suite 500, Midvale, Utah 84047

(Address of principal executive offices)

(801) 320-3300

(Registrant's telephone number)

Not Applicable

(Former name or 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 (see General Instruction A.2. below):

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- .. 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))

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

In a current report on Form 8-K dated February 18, 2008, UCN, Inc., reported that its management and Audit Committee of the Board of Directors received allegations of improper sales activities that led to a misallocation of revenue between UCN's Telecom Segment and inContact Segment by its Executive Vice President of Global Alliances.

The independent investigators engaged by the Audit Committee have now completed the investigation. As a result, the Executive Vice President involved in the sales that were the subject of the investigation is no longer employed by UCN. Additionally, UCN has determined that the revenue and results of operations for a total of six user accounts previously included in the segment disclosure of UCN's inContact segment in prior periods should have been included in UCN's Telecom segment because, in substance, the revenue was substantially either long distance or still in a trial period for inContact.

Accordingly, on March 10, 2008, the Board of Directors concluded that no further reliance should be placed on the condensed consolidated financial statements of UCN filed with its quarterly reports on Form 10-Q for the quarters ended September 30, June 30, and March 31, 2007, and its consolidated financial statements for the year ended December 31, 2006, along with the related report of its independent accountant, filed with its annual report on Form 10-K for the year ended December 31, 2006.

The effects of the restatements of the consolidated financial statements are limited to the footnote disclosure of segment results and does not affect the consolidated statements of operations, consolidated balance sheets, consolidated statements of cash flows and consolidated statements of stockholders' equity of UCN for the periods identified above.

The restatement will include the reallocation of the long distance charges, along with insignificant amounts of the inContact software and related service revenue, from these six accounts from the inContact segment to the Telecom segment.

UCN intends to file amendments to its reports on Form 10-Q for each of the fiscal quarters in 2007 to correct the segment information presented in the footnotes. The Company does not intend to file an amendment to its Form 10-K for the year ended December 31, 2006; rather the restatement of 2006 segment disclosures will be reflected in the Company's filing of its Form 10-K for the year ended December 31, 2007.

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The following summarizes the effect of the restatements:

Periods Ended September 30, 2007 and 2006 (in thousands)

| | Three months ended September 30, 2007 | | | Three months ended September 30, 2006 | | |
|---|---------------------------------------|------------|-------------|---------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Telecom Segment | | | | | | |
| Revenue | \$ 11,909 | \$ 1,292 | \$ 13,201 | \$ 16,274 | \$ 545 | \$ 16,819 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 8,184 | 883 | 9,067 | 10,812 | 358 | 11,170 |
| Selling and promotion | 1,319 | 116 | 1,435 | 2,003 | 48 | 2,051 |
| General and administrative | 2,164 | 235 | 2,399 | 2,353 | 81 | 2,434 |
| Depreciation and amortization | 660 | 36 | 696 | 1,362 | 16 | 1,378 |
| Research and development | | | | | | |
| Loss from operations | \$ (418) | \$ 22 | \$ (396) | \$ (256) | \$ 42 | \$ (214) |

| | Three months ended September 30, 2007 | | | Three months ended September 30, 2006 | | |
|---|---------------------------------------|------------|-------------|---------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| inContact Segment | | | | | | |
| Revenue | \$ 7,719 | \$ (1,292) | \$ 6,427 | \$ 3,930 | \$ (545) | \$ 3,385 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 2,747 | (883) | 1,864 | 1,896 | (358) | 1,538 |
| Selling and promotion | 2,564 | (116) | 2,448 | 1,495 | (48) | 1,447 |
| General and administrative | 2,410 | (235) | 2,175 | 950 | (81) | 869 |
| Depreciation and amortization | 793 | (36) | 757 | 517 | (16) | 501 |
| Research and development | 674 | | 674 | 260 | | 260 |
| Loss from operations | \$ (1,469) | \$ (22) | \$ (1,491) | \$ (1,188) | \$ (42) | \$ (1,230) |

| | Three months ended September 30, 2007 | | | Three months ended September 30, 2006 | | |
|---|---------------------------------------|------------|-------------|---------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Consolidated | | | | | | |
| Revenue | \$ 19,628 | \$ | \$ 19,628 | \$ 20,204 | \$ | \$ 20,204 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 10,931 | | 10,931 | 12,708 | | 12,708 |
| Selling and promotion | 3,883 | | 3,883 | 3,498 | | 3,498 |
| General and administrative | 4,574 | | 4,574 | 3,303 | | 3,303 |
| Depreciation and amortization | 1,453 | | 1,453 | 1,879 | | 1,879 |
| Research and development | 674 | | 674 | 260 | | 260 |
| Loss from operations | \$ (1,887) | \$ | \$ (1,887) | \$ (1,444) | \$ | \$ (1,444) |

UCN previously reported for the three months ended September 30, 2007, that inContact revenue includes \$3.9 million of related long distance and voice and data revenue and \$3.8 million of inContact technology services, and for the same period in 2006 includes \$2.8 million of related long distance voice and data service revenue and \$1.1 million of inContact technology services.

The restated inContact revenue for the three months ended September 30, 2007, includes \$2.6 million of related long distance voice and data service revenue and \$3.8 million of inContact technology services, and for the same period in 2006 includes \$2.3 million of related long distance voice and data service revenue and \$1.1 million of inContact technology services.

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| | Nine months ended September 30, 2007 | | | Nine months ended September 30, 2006 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| | Telecom Segment | | | | | |
| Revenue | \$ 38,425 | \$ 3,736 | \$ 42,161 | \$ 53,290 | \$ 741 | \$ 54,031 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 25,685 | 2,490 | 28,175 | 36,477 | 490 | 36,967 |
| Selling and promotion | 4,519 | 369 | 4,888 | 6,207 | 63 | 6,270 |
| General and administrative | 6,733 | 658 | 7,391 | 7,272 | 109 | 7,381 |
| Depreciation and amortization | 2,509 | 99 | 2,608 | 4,101 | 21 | 4,122 |
| Research and development | 1 | | 1 | | | |
| Loss from operations | \$ (1,022) | \$ 120 | \$ (902) | \$ (767) | \$ 58 | \$ (709) |

| | Nine months ended September 30, 2007 | | | Nine months ended September 30, 2006 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| | inContact Segment | | | | | |
| Revenue | \$ 20,997 | \$ (3,736) | \$ 17,261 | \$ 10,504 | \$ (741) | \$ 9,763 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 7,910 | (2,490) | 5,420 | 5,294 | (490) | 4,804 |
| Selling and promotion | 7,316 | (369) | 6,947 | 4,341 | (63) | 4,278 |
| General and administrative | 5,703 | (658) | 5,045 | 2,513 | (109) | 2,404 |
| Depreciation and amortization | 2,231 | (99) | 2,132 | 1,521 | (21) | 1,500 |
| Research and development | 1,548 | | 1,548 | 921 | | 921 |
| Loss from operations | \$ (3,711) | \$ (120) | \$ (3,831) | \$ (4,086) | \$ (58) | \$ (4,144) |

| | Nine months ended September 30, 2007 | | | Nine months ended September 30, 2006 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| | Consolidated | | | | | |
| Revenue | \$ 59,422 | \$ | \$ 59,422 | \$ 63,794 | \$ | \$ 63,794 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 33,595 | | 33,595 | 41,771 | | 41,771 |
| Selling and promotion | 11,835 | | 11,835 | 10,548 | | 10,548 |
| General and administrative | 12,436 | | 12,436 | 9,785 | | 9,785 |
| Depreciation and amortization | 4,740 | | 4,740 | 5,622 | | 5,622 |
| Research and development | 1,549 | | 1,549 | 921 | | 921 |
| Loss from operations | \$ (4,733) | \$ | \$ (4,733) | \$ (4,853) | \$ | \$ (4,853) |

UCN previously reported for the nine months ended September 30, 2007, that inContact revenue includes \$11.5 million of related long distance and voice and data revenue and \$9.5 million of inContact technology services, and for the same period in 2006 includes \$7.8 million of related long distance voice and data service revenue and \$2.7 million of inContact technology services.

The restated inContact revenue for the nine months ended September 30, 2007, includes \$7.8 million of related long distance voice and data service revenue and \$9.5 million of inContact technology services, and for the same period in 2006 includes \$7.1 million of related long distance voice and data service revenue and \$2.7 million of inContact technology services.

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Periods Ended June 30, 2007 and 2006 (in thousands)

| | Three months ended June 30, 2007 | | | Three months ended June 30, 2006 | | |
|---|----------------------------------|------------|-------------|----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Telecom Segment | | | | | | |
| Revenue | \$ 12,768 | \$ 1,247 | \$ 14,015 | \$ 17,349 | \$ 160 | \$ 17,509 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 8,576 | 832 | 9,408 | 11,751 | 107 | 11,858 |
| Selling and promotion | 1,461 | 120 | 1,581 | 1,983 | 12 | 1,995 |
| General and administrative | 2,322 | 227 | 2,549 | 2,323 | 23 | 2,346 |
| Depreciation and amortization | 733 | 31 | 764 | 1,352 | 4 | 1,356 |
| Research and development | | | | | | |
| Loss from operations | \$ (324) | \$ 37 | \$ (287) | \$ (60) | \$ 14 | \$ (46) |

| | Three months ended June 30, 2007 | | | Three months ended June 30, 2006 | | |
|---|----------------------------------|------------|-------------|----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| inContact Segment | | | | | | |
| Revenue | \$ 7,207 | \$ (1,247) | \$ 5,960 | \$ 3,619 | \$ (160) | \$ 3,459 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 2,552 | (832) | 1,720 | 1,829 | (107) | 1,722 |
| Selling and promotion | 2,641 | (120) | 2,521 | 1,449 | (12) | 1,437 |
| General and administrative | 1,842 | (227) | 1,615 | 900 | (23) | 877 |
| Depreciation and amortization | 762 | (31) | 731 | 513 | (4) | 509 |
| Research and development | 447 | | 447 | 352 | | 352 |
| Loss from operations | \$ (1,037) | \$ (37) | \$ (1,074) | \$ (1,424) | \$ (14) | \$ (1,438) |

| | Three months ended June 30, 2007 | | | Three months ended June 30, 2006 | | |
|---|----------------------------------|------------|-------------|----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Consolidated | | | | | | |
| Revenue | \$ 19,975 | \$ | \$ 19,975 | \$ 20,968 | \$ | \$ 20,968 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 11,128 | | 11,128 | 13,580 | | 13,580 |
| Selling and promotion | 4,102 | | 4,102 | 3,432 | | 3,432 |
| General and administrative | 4,164 | | 4,164 | 3,223 | | 3,223 |
| Depreciation and amortization | 1,495 | | 1,495 | 1,865 | | 1,865 |
| Research and development | 447 | | 447 | 352 | | 352 |
| Loss from operations | \$ (1,361) | \$ | \$ (1,361) | \$ (1,484) | \$ | \$ (1,484) |

UCN previously reported for the three months ended June 30, 2007, that inContact revenue includes \$3.7 million of related long distance and voice and data revenue and \$3.5 million of inContact technology services, and for the same period in 2006 includes \$2.7 million of related long distance voice and data service revenue and \$.9 million of inContact technology services.

The restated inContact revenue for the three months ended June 30, 2007, includes \$2.5 million of related long distance voice and data service revenue and \$3.5 million of inContact technology services, and for the same period in 2006 includes \$2.6 million of related long distance voice and data service revenue and \$.9 million of inContact technology services.

| | Six months ended June 30, 2007 | | | Six months ended June 30, 2006 | | |
|---|--------------------------------|------------|-----------|--------------------------------|------------|-----------|
| | As Previously | | As | As Previously | | As |
| | Reported | Adjustment | Restated | Reported | Adjustment | Restated |
| Telecom Segment | | | | | | |
| Revenue | \$ 26,517 | \$ 2,444 | \$ 28,961 | \$ 37,016 | \$ 196 | \$ 37,212 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 17,502 | 1,607 | 19,109 | 25,665 | 132 | 25,797 |
| Selling and promotion | 3,200 | 253 | 3,453 | 4,203 | 15 | 4,218 |
| General and administrative | 4,569 | 423 | 4,992 | 4,874 | 28 | 4,902 |
| Depreciation and amortization | 1,850 | 63 | 1,913 | 2,741 | 5 | 2,746 |
| Research and development | | | | | | |
| Loss from operations | \$ (604) | \$ 98 | \$ (506) | \$ (467) | \$ 16 | \$ (451) |

| | Six months ended June 30, 2007 | | | Six months ended June 30, 2006 | | |
|---|--------------------------------|------------|------------|--------------------------------|------------|------------|
| | As | | As | As | | As |
| | Previously | Adjustment | Restated | Previously | Adjustment | Restated |
| inContact Segment | | | | | | |
| Revenue | \$ 13,278 | \$ (2,444) | \$ 10,834 | \$ 6,574 | \$ (196) | \$ 6,378 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 5,163 | (1,607) | 3,556 | 3,398 | (132) | 3,266 |
| Selling and promotion | 4,752 | (253) | 4,999 | 2,847 | (15) | 2,832 |
| General and administrative | 3,293 | (423) | 2,870 | 1,604 | (28) | 1,576 |
| Depreciation and amortization | 1,438 | (63) | 1,375 | 1,003 | (5) | 998 |
| Research and development | 875 | | 875 | 664 | | 664 |
| Loss from operations | \$ (2,243) | \$ (98) | \$ (2,341) | \$ (2,942) | \$ (16) | \$ (2,958) |

| | Six months ended June 30, 2007 | | | Six months ended June 30, 2006 | | |
|---|--------------------------------|------------|------------|--------------------------------|------------|------------|
| | As | | As | As | | As |
| | Previously | Adjustment | Restated | Previously | Adjustment | Restated |
| Consolidated | | | | | | |
| Revenue | \$ 39,795 | \$ | \$ 39,795 | \$ 43,590 | \$ | \$ 43,590 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 22,665 | | 22,665 | 29,063 | | 29,063 |
| Selling and promotion | 7,952 | | 7,952 | 7,050 | | 7,050 |
| General and administrative | 7,862 | | 7,862 | 6,478 | | 6,478 |
| Depreciation and amortization | 3,288 | | 3,288 | 3,744 | | 3,744 |
| Research and development | 875 | | 875 | 664 | | 664 |
| Loss from operations | \$ (2,847) | \$ | \$ (2,847) | \$ (3,409) | \$ | \$ (3,409) |

UCN previously reported for the six months ended June 30, 2007, that inContact revenue includes \$7.6 million of related long distance and voice and data revenue and \$5.7 million of inContact technology services, and for the same period in 2006 includes \$5.0 million of related long distance voice and data service revenue and \$1.6 million of inContact technology services.

The restated inContact revenue for the six months ended June 30, 2007, includes \$5.2 million of related long distance voice and data service revenue and \$5.6 million of inContact technology services, and for the same period in 2006 includes \$4.8 million of related long distance voice and data service revenue and \$1.6 million of inContact technology services.

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Periods Ended March 31, 2007 and 2006 (in thousands)

| Telecom Segment | Three months ended March 31, 2007 | | | Three months ended March 31, 2006 | | |
|---|-----------------------------------|------------|-------------|-----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Revenue | \$ 13,749 | \$ 1,197 | \$ 14,946 | \$ 19,667 | \$ 36 | \$ 19,703 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 8,926 | 775 | 9,701 | 13,914 | 25 | 13,939 |
| Selling and promotion | 1,739 | 133 | 1,872 | 2,220 | 3 | 2,223 |
| General and administrative | 2,248 | 196 | 2,444 | 2,554 | 5 | 2,559 |
| Depreciation and amortization | 1,116 | 32 | 1,148 | 1,389 | 1 | 1,390 |
| Research and development | | | | | | |
| Loss from operations | \$ (280) | \$ 61 | \$ (219) | \$ (410) | \$ 2 | \$ (408) |

| inContact Segment | Three months ended March 31, 2007 | | | Three months ended March 31, 2006 | | |
|---|-----------------------------------|------------|-------------|-----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Revenue | \$ 6,071 | \$ (1,197) | \$ 4,874 | \$ 2,955 | \$ (36) | \$ 2,919 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 2,611 | (775) | 1,836 | 1,569 | (25) | 1,544 |
| Selling and promotion | 2,111 | (133) | 1,978 | 1,398 | (3) | 1,395 |
| General and administrative | 1,451 | (196) | 1,255 | 704 | (5) | 699 |
| Depreciation and amortization | 676 | (32) | 644 | 490 | (1) | 489 |
| Research and development | 428 | | 428 | 309 | | 309 |
| Loss from operations | \$ (1,206) | \$ (61) | \$ (1,267) | \$ (1,515) | \$ (2) | \$ (1,517) |

| Consolidated | Three months ended March 31, 2007 | | | Three months ended March 31, 2006 | | |
|---|-----------------------------------|------------|-------------|-----------------------------------|------------|-------------|
| | As Previously Reported | Adjustment | As Restated | As Previously Reported | Adjustment | As Restated |
| Revenue | \$ 19,820 | \$ | \$ 19,820 | \$ 22,622 | \$ | \$ 22,622 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 11,537 | | 11,537 | 15,483 | | 15,483 |
| Selling and promotion | 3,850 | | 3,850 | 3,618 | | 3,618 |
| General and administrative | 3,699 | | 3,699 | 3,258 | | 3,258 |
| Depreciation and amortization | 1,792 | | 1,792 | 1,879 | | 1,879 |
| Research and development | 428 | | 428 | 309 | | 309 |
| Loss from operations | \$ (1,486) | \$ | \$ (1,486) | \$ (1,925) | \$ | \$ (1,925) |

UCN previously reported for the three months ended March 31, 2007, that inContact revenue includes \$3.9 million of related long distance and voice and data revenue and \$2.2 million of inContact technology services, and for the same period in 2006 includes \$2.3 million of related long distance voice and data service revenue and \$.7 million of inContact technology services.

The restated inContact revenue for the three months ended March 31, 2007, includes \$2.8 million of related long distance voice and data service revenue and \$2.1 million of inContact technology services, and for the same period in 2006 includes \$2.2 million of related long distance voice and data service revenue and \$.7 million of inContact technology services.

Year Ended December 31, 2006 and 2005 (in thousands)

| | For the year-ended December 31, 2006 | | | For the year-ended December 31, 2005 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As | | | As | | |
| | Previously Reported | Adjustment | As Restated | Previously Reported | Adjustment | As Restated |
| Telecom Segment | | | | | | |
| Revenue | \$ 67,635 | \$ 1,893 | \$ 69,528 | \$ 76,433 | | \$ 76,433 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 45,897 | 1,241 | 47,138 | 51,570 | | 51,570 |
| Selling and promotion | 8,059 | 171 | 8,230 | 12,313 | | 12,313 |
| General and administrative | 9,324 | 282 | 9,606 | 12,487 | | 12,487 |
| Depreciation and amortization | 5,380 | 55 | 5,435 | 6,368 | | 6,368 |
| Research and development | | | | | | |
| Loss from operations | \$ (1,025) | \$ 144 | \$ (881) | \$ (6,305) | \$ | \$ (6,305) |

| | For the year-ended December 31, 2006 | | | For the year-ended December 31, 2005 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As | | | As | | |
| | Previously Reported | Adjustment | As Restated | Previously Reported | Adjustment | As Restated |
| inContact Segment | | | | | | |
| Revenue | \$ 15,165 | \$ (1,893) | \$ 13,272 | \$ 5,154 | \$ | \$ 5,154 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 7,558 | (1,241) | 6,317 | 2,633 | | 2,633 |
| Selling and promotion | 5,989 | (171) | 5,818 | 828 | | 828 |
| General and administrative | 3,740 | (282) | 3,458 | 756 | | 756 |
| Depreciation and amortization | 2,077 | (55) | 2,022 | 829 | | 829 |
| Research and development | 1,247 | | 1,247 | 1,308 | | 1,308 |
| Loss from operations | \$ (5,446) | \$ (144) | \$ (5,590) | \$ (1,200) | \$ | \$ (1,200) |

| | For the year-ended December 31, 2006 | | | For the year-ended December 31, 2005 | | |
|---|--------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
| | As Previously | | | As Previously | | |
| | Reported | Adjustment | As Restated | Reported | Adjustment | As Restated |
| Consolidated | | | | | | |
| Revenue | \$ 82,800 | \$ | \$ 82,800 | \$ 81,587 | \$ | \$ 81,587 |
| Costs of revenue (excluding depreciation and amortization shown separately below) | 53,455 | | 53,455 | 54,203 | | 54,203 |
| Selling and promotion | 14,048 | | 14,048 | 13,141 | | 13,141 |
| General and administrative | 13,064 | | 13,064 | 13,243 | | 13,243 |
| Depreciation and amortization | 7,457 | | 7,457 | 7,197 | | 7,197 |
| Research and development | 1,247 | | 1,247 | 1,308 | | 1,308 |
| Loss from operations | \$ (6,471) | \$ | \$ (6,471) | \$ (7,505) | \$ | \$ (7,505) |

UCN previously reported for the year ended December 31, 2006, that inContact revenue includes \$11.2 million of related long distance and voice and data revenue and \$4.0 million of inContact technology services, and for 2005 includes \$3.9 million of related long distance voice and data service revenue and \$1.3 million of inContact technology services.

The restated inContact revenue for the year ended December 31, 2006, includes \$9.3 million of related long distance voice and data service revenue and \$4.0 million of inContact technology services, and for 2005 includes \$3.9 million of related long distance voice and data service revenue and \$1.3 million of inContact technology services.

UCN is pursuing the preparation of amendments to its 2007 Form 10-Q reports, which it intends to file with the Securities and Exchange Commission before it files its annual report on Form 10-K for 2007. The annual report is due March 17, 2008. As a result of these developments, UCN expects it will file a notification of late filing on Form 12b-25 with the intention of filing its Form 10-K for year ended December 31, 2007 by April 1, 2008.

UCN is evaluating the effect of the matters discussed herein on management's assessment of internal control over financial reporting as of December 31, 2007. The Audit Committee and authorized officers of UCN have discussed the matters disclosed herein with UCN's independent accountant.

Item 9.01 Financial Statements and Exhibits

| Exhibit No. | Description |
|--------------------|------------------------------------|
| 99.1 | Press Release dated March 14, 2008 |

SIGNATURES

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

UCN, INC.

Date: March 14, 2008

By: /s/ Paul Jarman
Paul Jarman, Chief Executive Officer