

Edgar Filing: HUGHES Telematics, Inc. - Form 424B3

HUGHES Telematics, Inc.  
Form 424B3  
August 10, 2010  
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**Filed Pursuant to Rule 424(b)(3)**  
**File No. 333-164930**

SUPPLEMENT NO. 4 TO PROSPECTUS DATED APRIL 16, 2010

THE DATE OF THIS SUPPLEMENT IS AUGUST 10, 2010

On August 9, 2010, HUGHES Telematics, Inc. filed the attached Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**FORM 10-Q**

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2010, or**
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
Commission file number 001-33860

**HUGHES Telematics, Inc.**

(Exact name of registrant as specified in its charter)

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

**26-0443717**  
(I.R.S. Employer Identification Number)

**2002 Summit Boulevard, Suite 1800**

**Atlanta, Georgia**  
(Address of principal executive offices)

**30319**  
(Zip Code)

**Registrant's telephone number, including area code: (404) 573-5800**

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 Exchange Act of 1934 during the preceding 12 months (or for such shorter periods 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 6, 2010, 92,631,187 shares of the registrant's common stock were outstanding.

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****HUGHES TELEMATICS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)****(In thousands, except share data)**

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 24,486	\$ 28,368
Short-term investments	6,527	
Accounts receivable, net	3,640	4,118
Inventories, net	316	1,390
Prepaid expenses	751	1,556
Other current assets	1,690	2,119
<b>Total current assets</b>	<b>37,410</b>	<b>37,551</b>
Restricted cash	856	650
Property and equipment, net	26,842	30,128
Capitalized software, net	18,678	18,355
Intangible assets, net	14,298	13,005
Goodwill	5,169	5,169
Debt issuance costs	4,627	5,254
Other assets	7,713	7,969
<b>Total assets</b>	<b>\$ 115,593</b>	<b>\$ 118,081</b>
<b>Liabilities and Stockholders Deficit</b>		
Current liabilities:		
Accounts payable	\$ 4,161	\$ 7,521
Accrued liabilities	12,749	7,943
Deferred revenue	3,498	98
Current portion of capital lease obligations	788	3,125
Current portion of long-term debt	7,132	8,316
Other current liabilities	2,653	568
<b>Total current liabilities</b>	<b>30,981</b>	<b>27,571</b>
Long-term debt	97,984	91,140
Capital lease obligations	1,633	1,599
Long-term deferred revenue	3,928	47
Other liabilities	2,047	3,100
<b>Total liabilities</b>	<b>136,573</b>	<b>123,457</b>

Commitments and contingencies (Note 13)

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Stockholders' deficit:		
Preferred stock, \$0.0001 par value. Authorized 10,000,000 shares, no shares issued and outstanding at June 30, 2010 and December 31, 2009		
Common stock, \$0.0001 par value. Authorized 155,000,000 shares; issued and outstanding 92,631,187 shares at June 30, 2010 and 87,087,624 shares at December 31, 2009		
	9	9
Additional paid-in capital	368,481	352,159
Accumulated deficit	(402,387)	(357,544)
Total HUGHES Telematics, Inc. stockholders' deficit	(33,897)	(5,376)
Non-controlling interests in consolidated subsidiary	12,917	
Total stockholders' deficit	(20,980)	(5,376)
Total liabilities and stockholders' deficit	\$ 115,593	\$ 118,081

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Table of Contents****HUGHES TELEMATICS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)****(In thousands, except share data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Services	\$ 6,468	\$ 5,585	\$ 12,524	\$ 10,905
Hardware	2,959	2,721	5,070	4,950
<b>Total revenues</b>	<b>9,427</b>	<b>8,306</b>	<b>17,594</b>	<b>15,855</b>
<b>Costs and expenses:</b>				
Cost of services	5,855	1,646	11,648	3,269
Cost of hardware sold	2,491	2,194	4,413	3,968
Research and development	2,622	9,413	5,449	18,461
Sales and marketing	5,543	2,715	11,225	5,059
General and administrative	9,688	9,339	19,097	16,962
<b>Total costs and expenses</b>	<b>26,199</b>	<b>25,307</b>	<b>51,832</b>	<b>47,719</b>
Loss from operations	(16,772)	(17,001)	(34,238)	(31,864)
Interest income	39	29	87	53
Interest expense	(5,511)	(2,617)	(10,807)	(6,190)
Change in fair value of derivative instruments				(62,316)
Other expense	(7)		(7)	
<b>Loss before income taxes</b>	<b>(22,251)</b>	<b>(19,589)</b>	<b>(44,965)</b>	<b>(100,317)</b>
Income tax expense	(12)	(55)	(12)	
<b>Net loss</b>	<b>(22,263)</b>	<b>(19,644)</b>	<b>(44,977)</b>	<b>(100,317)</b>
Net loss attributable to non-controlling interest	135		135	
<b>Net loss attributable to HUGHES Telematics, Inc.</b>	<b>(22,128)</b>	<b>(19,644)</b>	<b>(44,842)</b>	<b>(100,317)</b>
Deemed dividend on and accretion of convertible preferred stock				(56,619)
<b>Net loss attributable to common stockholders</b>	<b>\$ (22,128)</b>	<b>\$ (19,644)</b>	<b>\$ (44,842)</b>	<b>\$ (156,936)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.74)</b>	<b>\$ (0.82)</b>	<b>\$ (1.58)</b>	<b>\$ (10.85)</b>
<b>Basic and diluted weighted average common shares outstanding</b>	<b>30,011,566</b>	<b>23,901,891</b>	<b>28,301,504</b>	<b>14,465,427</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Table of Contents****HUGHES TELEMATICS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)****(In thousands)**

	<b>Six Months Ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (44,977)	\$ (100,317)
In-kind contributions from non-controlling interests in consolidated subsidiary	53	
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,905	4,493
Change in fair value of derivative instruments		62,316
Interest expense on Series A Redeemable Preferred Stock		496
Interest expense on long-term debt and capital leases	4,729	3,470
Amortization of debt issuance costs and discounts on long-term debt	3,038	2,224
Share-based compensation expense	1,326	435
Loss on sale of property and equipment	123	
Changes in assets and liabilities:		
Accounts receivable, net	478	929
Inventories, net	1,074	(218)
Prepaid expenses and other assets	1,497	(6,238)
Accounts payable and accrued and other liabilities	2,383	14,075
Deferred revenue	7,281	(167)
 Net cash used in operating activities	 (16,090)	 (18,502)
 <b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(603)	(9,470)
Proceeds from sale of property and equipment	481	
Increase in capitalized software	(1,888)	(8,137)
Purchases of short-term investments	(6,776)	
Maturity of short-term investments	249	