

Globalstar, Inc.  
Form S-3  
May 08, 2015

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

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

Globalstar, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or organization)	4899 (Primary Standard Industrial Classification Code Number)	41-2116508 (IRS Employer Identification No.)
300 Holiday Square Covington, Louisiana 70433 (Address of Principal Executive Offices) (Zip Code)		
(Address, including zip code, and telephone number, including area code of principal executive offices)		

L. Barbee Ponder  
General Counsel and Vice President — Regulatory Affairs  
Globalstar, Inc.  
300 Holiday Square Blvd  
Covington, LA 70433  
985-335-1503 Direct  
985-335-1703 Fax  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send copies of all communications to:

Bridget C. Hoffman  
Taft Stettinius & Hollister LLP  
425 Walnut Street  
Cincinnati, Ohio 45202  
(513) 357-9363

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.  x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement

for the same offering. o

---

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price <sup>(2)</sup>	Amount of Registration Fee
Voting Common Stock	—	—	\$15,516,236	\$1,802.99

Pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate (1) number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock-splits, stock dividends or similar transactions.

(2) Calculated pursuant to Rule 457(o) under the Securities Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to, delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

---

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is prohibited.

---

SUBJECT TO COMPLETION, DATED MAY 8, 2015  
PROSPECTUS  
\$15,516,236

Shares of

GLOBALSTAR, INC.

Voting Common Stock

This prospectus relates to up to \$15,516,236 of shares of our voting common stock, which are held or may be held by the selling stockholder named in this prospectus. The shares will be issued to the selling stockholder in connection with our payment to Hughes Network Systems, LLC (“Hughes”), a subsidiary of EchoStar Corporation, pursuant to an agreement dated May 1, 2008, as amended. We will not receive any of the proceeds from the sale of shares, if any, by the selling stockholder. The agreement with Hughes required us to register the shares for resale under the Securities Act. Hughes, as the selling stockholder, may choose to retain or sell these shares, in whole or in part, and has provided no indication of their desire to sell shares at this time.

The selling stockholder identified in this prospectus, or its permitted transferees or other successors-in-interest, may offer the shares from time to time through public or private transactions at prevailing market prices, at prices related to prevailing market prices, or at privately negotiated prices. We provide more information about how the selling stockholder may sell its shares of common stock in the section entitled “Plan of Distribution” beginning on page 3 of this prospectus. We will not be paying any underwriting discounts or commissions in connection with any offering of common stock under this prospectus.

Our common stock is listed on the NYSE MKT under the symbol “GSAT.” The last reported sale price of our common stock on the NYSE MKT on May 7, 2015 was \$2.31 per share.

Investing in our common stock involves a high degree of risk. Please see the sections entitled “Risk Factors” beginning on page 1 of this prospectus and our Annual Report on Form 10-K for the year ended December 31, 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2015.

TABLE OF CONTENTS

	Page
FORWARD LOOKING STATEMENTS	1
RISK FACTORS	1
USE OF PROCEEDS	1
PAYMENT UNDER HUGHES AGREEMENT	1
SELLING STOCKHOLDER	2
PLAN OF DISTRIBUTION	3
DESCRIPTION OF OUR CAPITAL STOCK	6
NAMED EXPERTS AND COUNSEL	9
WHERE YOU CAN FIND MORE INFORMATION	9
INFORMATION INCORPORATED BY REFERENCE	9

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using the “shelf” registration process. Under this process, the selling stockholder may from time to time, in one or more offerings, sell the common stock described in this prospectus.

You should rely only on the information contained in or incorporated by reference into this prospectus (as supplemented and amended). We have not authorized anyone to provide you with different information. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus is accurate as of any date other than its date regardless of the time of delivery of the prospectus or any sale of our common stock.

We urge you to read carefully this prospectus (as supplemented and amended), together with the information incorporated herein by reference as described under the heading “Information Incorporated by Reference,” before deciding whether to invest in any of the common stock being offered.

## FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and is subject to the safe harbor created by that section. Such statements may include, but are not limited to, projections of revenues, income or loss, capital expenditures, plans for product development and cooperative arrangements, future operations, financing needs or plans of Globalstar, as well as assumptions relating to the foregoing. The words “anticipate,” “believe,” “estimate,” “expect,” “goal,” “may,” “plan,” “project,” “will,” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

These forward looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward looking statements. Forward-looking statements, such as the statements regarding our ability to develop and expand our business (including our ability to monetize our spectrum rights), our anticipated capital spending, our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes (including regulation related to the use of our spectrum), the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of new products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis and other statements contained or incorporated by reference in this prospectus regarding matters that are not historical facts, involve predictions. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those in “Risk Factors” of this prospectus. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this prospectus to reflect actual results or future events or circumstances.

## RISK FACTORS

You should carefully consider the specific risks set forth under the caption “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference in this prospectus. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the trading price of our common stock could decline, and you could lose all or part of your investment.

## USE OF PROCEEDS

The selling stockholder will receive all of the net proceeds from sales of the common stock sold pursuant to this prospectus.

## PAYMENT UNDER THE HUGHES AGREEMENT

On May 1, 2008, we entered into a contract, which we refer to in this prospectus as the Hughes Agreement, with Hughes Network Systems, LLC (“Hughes”), a subsidiary of EchoStar Corporation, under which Hughes designs, supplies and implements (a) the Radio Access Network (RAN) ground network equipment and software upgrades for installation at a number of our satellite gateway ground stations and (b) satellite interface chips to be a part of the User Terminal Subsystem (UTS) in our various next-generation devices.

In January 2013, we agreed to amend the Hughes Agreement to extend the schedule of the RAN and UTS program and to revise the remaining payment milestones and program milestones to reflect the revised program timeline. This amendment amended the timing of certain payments to coincide with the revised timing of the completion of milestones.

In August 2013, we entered into a separate letter agreement (“Letter Agreement”) with Hughes which specified a payment schedule for approximately \$15.8 million of deferred amounts then-outstanding under the Hughes Agreement. Under the terms of the Letter Agreement, we were also required to pay interest of approximately \$4.9 million in January 2014 for amounts accrued at a rate of 10% on previously deferred amounts. Under the terms of the Letter Agreement, Hughes had the option to receive all or any portion of the deferred payments and accrued interest in our common stock. If Hughes chose to receive any payment in stock, shares would be provided at a 7% discount based upon a trailing volume weighted average price calculation. Between August 2013 and May 2014, we paid Hughes approximately \$10.8 million in cash towards contract milestones, and Hughes elected to receive payment in the form of shares of our common stock for approximately \$14.4 million of certain milestone payments and accrued interest.

In December 2013, we amended the Hughes Agreement to revise the remaining payment milestones and program milestones to reflect the updated program timeline. This amendment extended certain payments previously due in 2013 to 2014 and beyond.

In May 2014, we entered into another agreement with Hughes to issue shares of common stock worth \$9,939,155 at a 7% discount to the closing price on the trading day that was one day before the date on which Globalstar transferred the shares to Hughes. In July 2014, we issued 2,514,650 shares of common stock to Hughes pursuant to this agreement.

In April 2015, we entered into an agreement with Hughes to issue shares of common stock worth \$15,516,236 at a 7% discount to the closing price on the trading day that is one day before the date on which Globalstar transfers the shares to Hughes (“Payment Milestone Shares”), with the shares to be issued within one business day after this registration statement becomes effective. We have agreed to provide Hughes downside protection for a specified period, such that (A) the total amount of gross proceeds Hughes receives from the sale of any Payment Milestone Shares plus, if applicable, the market value of any Payment Milestone Shares still held by Hughes as of the end of downside protection period shall be no less than (B) \$15,516,236. In the event that, at the earlier of i) the date on which Hughes has sold all of the Payment Milestone Shares and ii) the close of trading at the end of the downside protection period, (A) is less than (B), we will issue Hughes additional shares of stock having a total value equal to the difference between (B) and (A). The additional shares to be issued, if any, will be valued at a trailing volume weighted average price for the 5 trading days prior to the earlier of the date on which the Payment Milestone Shares have been finally sold or the close of trading on the last day of the protection period, whichever is applicable.

The foregoing description of the Hughes Agreement and any amendments thereto (including the other referenced agreements) (including the other referenced agreements) does not purport to be complete and is qualified in its entirety by reference to the full text of the Hughes Agreement and any amendments thereto, copies of which have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

#### SELLING STOCKHOLDER

This prospectus relates to the possible resale from time to time by the selling stockholder of any or all of the shares of voting common stock issued by us to Hughes pursuant to the Hughes Agreement. For additional information regarding the issuance of common stock covered by this prospectus, see “Payment under Hughes Agreement” above. We are registering the shares of voting common stock in order to issue freely tradable shares to Hughes and to permit Hughes to offer the shares for resale from time to time. Except for the transactions contemplated by the Hughes Agreement, Hughes has not had any material relationship with us within the past three years.

The table below presents information regarding the selling stockholder and the shares of common stock that it may offer from time to time under this prospectus. This table is prepared based on information supplied to us by the selling stockholder, and reflects holdings as of April 20, 2015. As used in this prospectus, the term “selling stockholder” includes Hughes and any donees, pledgees, transferees or other successors in interest selling shares received after the date of this prospectus from the selling stockholder as a gift, pledge, or other non-sale related transfer. The number of shares in the column “Maximum Number of Shares of Common Stock to be Offered Pursuant to this Prospectus” represents all of the shares of common stock that the selling stockholder may offer under this prospectus. The selling stockholder may sell some, all or none of its shares in this offering. We do not know how long the selling stockholder will hold the shares before selling them, although we anticipate all of the shares will be sold during the protection period, and we currently have no agreements, arrangements or understandings with the selling stockholder regarding the sale of any of the shares.

Beneficial ownership is determined in accordance with Rule 13d-3(d) promulgated by the SEC under the Exchange Act, and includes shares of common stock with respect to which the selling stockholder has voting and investment power. The percentage of shares of common stock beneficially owned by the selling stockholder prior to the offering shown in the table below is based on an aggregate of 896,634,735 shares of our voting common stock outstanding on April 8, 2015.



Edgar Filing: Globalstar, Inc. - Form S-3

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to Offering		Number of Shares of Common Stock to be Offered Pursuant to this Prospectus <sup>(3)</sup>	Number of Shares of Common Stock Owned After Offering	
	Number	Percent <sup>(2)</sup>		Number	Percent
Hughes Network Systems, LLC <sup>(1)</sup>	2,471,315	*	7,216,854	9,688,169	*

\* Represents beneficial ownership of less than one percent of the outstanding shares of our voting common stock.

- (1) Address of Hughes Network Systems, LLC is 11717 Exploration Lane, Germantown, MD 20876. Shares held prior to and after the offering include shares held by affiliates.
- (2) Applicable percentage ownership is based on 896,634,735 shares of our voting common stock outstanding as of April 8, 2015.  
Assumes issuance of all shares at \$2.15 per share. As of the date of this prospectus, 7,216,854 shares could be
- (3) offered pursuant to this prospectus.

## PLAN OF DISTRIBUTION

We are registering the shares of our voting common stock that we have issued or will issue to Hughes pursuant to the Hughes Agreement from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholder of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholder may decide not to sell any shares of common stock. The selling stockholder may sell all or a portion of the shares of common stock beneficially owned by it and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling stockholder and/or the purchasers of the shares of common stock for whom they may act as agent. In effecting sales, broker-dealers that are engaged by the selling stockholder may arrange for other broker-dealers to participate. Any brokers, dealers or agents who participate in the distribution of the shares of common stock by the selling stockholder may also be deemed to be “underwriters,” and any profits on the sale of the shares of common stock by them and any discounts, commissions or concessions received by any such brokers, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act. To our knowledge, Hughes has not entered into any agreement, arrangement or understanding with any particular broker-dealer or market maker with respect to the shares of common stock offered hereby, nor do we know the identity of the broker-dealers or market makers that may participate in the resale of the shares. Because Hughes and any other selling stockholder, broker, dealer or agent may be deemed to be, an “underwriter” within the meaning of the Securities Act, Hughes will (and any other selling stockholder, broker, dealer or agent may) be subject to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of the Securities Act (including, without limitation, Sections 11, 12 and 17 thereof) and Rule 10b-5 under the Exchange Act.

The selling stockholder will act independently of us in making decisions with respect to the timing, manner and size of each sale. The selling stockholder may sell the shares of common stock in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market in accordance with the rules of FINRA;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
- in ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- in block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

Edgar Filing: Globalstar, Inc. - Form S-3

- through purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- in an exchange distribution in accordance with the rules of the applicable exchange;
- in privately negotiated transactions;

3

---

- through broker-dealers which agree with the selling stockholder to sell a specified number of such shares at a stipulated price per share;
- through a combination of any such methods of sale; and
- through any other method permitted pursuant to applicable law.

The selling stockholder may also sell shares of common stock covered by this prospectus pursuant to Rule 144 promulgated under the Securities Act, if available, rather than under this prospectus. In addition, the selling stockholder may transfer the shares of common stock by other means not described in this prospectus.

Any broker-dealer participating in such transactions as agent may receive commissions from the selling stockholder (and, if they act as agent for the purchaser of such shares, from the purchaser). Broker-dealers may agree with the selling stockholder to sell a specified number of shares at a stipulated price per share, and, to the extent such a broker-dealer is unable to do so acting as agent for the selling stockholder, to purchase as principal any unsold shares at the price required to fulfill the broker-dealer commitment to the selling stockholder. Broker-dealers who acquire shares as principal may thereafter resell such shares from time to time in one or more transactions (which may involve crosses and block transactions and which may involve sales to and through other broker-dealers, including transactions of the nature described above and pursuant to the one or more of the methods described above) at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices, and in connection with such resales may pay to or receive from the purchasers of such shares commissions computed as described above. To the extent required under the Securities Act, an amendment to this prospectus or a supplemental prospectus will be filed, disclosing:

- the name of any such broker-dealers;
- the number of shares involved;
- the price at which such shares are to be sold;
- the commission paid or discounts or concessions allowed to such broker-dealers, where applicable;
- that such broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, as supplemented; and
- other facts material to the transaction.

Pursuant to a requirement of the Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount and other compensation to be received by any FINRA member or independent broker-dealer shall not be greater than eight percent (8%) of the gross proceeds received by us for the sale of any securities being registered pursuant to Rule 415 under the Securities Act.

The securities laws of some states require that shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless the shares have been registered or qualified for sale in that state or in compliance with an available exemption from registration or qualification.

There can be no assurance that the selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

Underwriters and purchasers that are deemed underwriters under the Securities Act may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock, including the entry of stabilizing bids or syndicate covering transactions or the imposition of penalty bids. The selling stockholder and any other person participating in the sale or distribution of the shares of common stock will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder (including, without limitation, Regulation M of the Exchange Act), which may restrict certain activities of, and limit the timing of purchases and sales of any of the shares of common stock by, the selling stockholder and any other participating person. To the extent applicable, Regulation M

may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making and certain other activities with respect to the shares of common stock. In addition, the anti-manipulation rules under the Exchange Act may apply to sales of the shares of common stock in the market. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We have agreed to pay all expenses of the registration of the shares of common stock, estimated to be \$13,000 in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “Blue Sky” laws.

At any time a particular offer of the shares of common stock is made by the selling stockholder, a revised prospectus or prospectus supplement, if required, will be distributed. Such prospectus supplement or post-effective amendment will be filed with the Securities and Exchange Commission to reflect the disclosure of any required additional information with respect to the distribution of the shares of common stock. We may suspend the sale of shares by the selling stockholder pursuant to this prospectus for certain reasonable periods of time on reasonable grounds, including if the prospectus is required to be supplemented or amended to include additional material information.

## DESCRIPTION OF OUR CAPITAL STOCK

The following summary of certain provisions of our capital stock does not purport to be complete and is subject to and is qualified in its entirety by our amended and restated certificate of incorporation which is incorporated in this prospectus by reference to our Current Report on Form 8-K filed September 29, 2009, to our Definitive Information Statement filed June 14, 2013 and by our bylaws which are incorporated in this prospectus by reference to our quarterly report on Form 10-Q for the quarter ended September 31, 2006.

Until March 17, 2006, we operated as a Delaware limited liability company. As such, the rights of our members were governed by the Delaware Limited Liability Company Act and the provisions of our limited liability company agreement which reflected various negotiations and agreements among Thermo Capital Partners LLC (together with its affiliates, “Thermo”), the creditors of our predecessor Globalstar, L.P. and others. The limited liability company agreement expressly permitted our conversion into a Delaware corporation provided that various provisions of the limited liability company agreement, including those dealing with election of directors, voting rights, preemptive rights and “tag along” rights, were incorporated into our certificate of incorporation. On March 17, 2006, we converted into a Delaware corporation. Our certificate of incorporation authorized the issuance of three series of common stock consisting of 300 million shares of Series A common stock, 20 million shares of Series B common stock and 480 million shares of Series C common stock. Each series of common stock had equivalent dividend and liquidation rights, but differing voting rights with respect to the election of directors, amendments to the certificate of incorporation and approval of certain transactions. Thermo held all of the Series C common stock, which entitled it to elect a majority of our directors. As required by our limited liability company agreement, our certificate of incorporation also restricted transfer of our common stock without approval of our board, granted all stockholders who were accredited investors pre-emptive rights to purchase shares of common stock if we issued additional shares of common stock, subject to certain exceptions, and entitled minority stockholders to participa