

P COM INC  
Form S-2  
April 29, 2005

**AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON  
APRIL 29, 2005  
REGISTRATION NO.: 333-**

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

**FORM S-2  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**P-COM, INC.**

(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

77-0289371  
(I.R.S. Employer  
Identification No.)

**P-COM, INC.  
3175 S. WINCHESTER BLVD.  
CAMPBELL, CA 95008  
(408) 866-3666**

(Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Registrant's Principal Executive Offices)

**DANIEL W. RUMSEY  
CHIEF RESTRUCTURING OFFICER  
P-COM, INC.  
3175 S. WINCHESTER BOULEVARD  
CAMPBELL, CA 95008**

(408) 866-3666

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Agent for Service)

Copy to:  
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800 Anacapa Street  
Santa Barbara, CA 93101  
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**APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:**

As soon as practicable 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.

If the Registrant elects to deliver its latest annual report to security holders, or a complete and legible facsimile thereof, pursuant to Item 11(a)(1) of this Form, check the following box.

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

**CALCULATION OF REGISTRATION FEE**

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)(2)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE(3)
Common stock, par value \$0.0001 per Share	6,978,571	\$ 0.15(3)	\$ 1,046,785.65(3)	\$ 123.21

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, this Registration Statement also covers an additional indeterminate number of shares of Common Stock that may be issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.

(2) Each share includes one right to purchase shares of the Registrant's series A junior participating preferred stock pursuant to the Registrant's rights agreement dated October 1, 1997, as amended.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the bid and asked prices per share of the registrant's common stock, as reported on the OTC Bulletin Board on April 28, 2005.

PURSUANT TO RULE 429 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THE PROSPECTUS CONTAINED IN THIS REGISTRATION STATEMENT RELATES TO 6,978,571 SHARES OF COMMON

STOCK BEING REGISTERED UNDER THIS REGISTRATION STATEMENT AND TO 13,242,309 SHARES OF COMMON STOCK PREVIOUSLY REGISTERED UNDER THE REGISTRATION STATEMENT ON FORM S-1 (FILE NO. 333-111405). AS SUCH, THIS REGISTRATION STATEMENT CONSTITUTES TO POST-EFFECTIVE AMENDMENT NO. 1 TO THE PREVIOUSLY FILED REGISTRATION STATEMENT ON FORM S-1 (FILE NO. 333-111405).

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 COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. These securities may not be sold 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 not permitted.

**Subject to Completion, Dated April 29, 2005**

**P COM**

**22,220,880 SHARES**

**P-COM, INC.**

**COMMON STOCK**

This prospectus relates to the offering of 22,220,880 shares of our common stock that may be sold from time to time by the selling stockholders named in this prospectus. The shares covered by this prospectus include the following shares that were previously registered on our Form S-1:

- o 5,569,524 shares that are currently outstanding;
- o 4,365,214 shares that may be issued upon conversion of our outstanding convertible preferred stock;
- o 3,945,072 shares that may be issued upon exercise of outstanding warrants; and
- o 1,362,499 shares that the Company is required to reserve and register for resale under an agreement between the Company and the holders of the Series C Convertible Preferred Stock, the Series D Convertible Preferred Stock and the Series C Warrants.

The shares covered by this Prospectus also include:

- o 978,571 shares that may be issued upon exercise of outstanding warrants or warrants that will be outstanding prior to the effectiveness of the registration statement of which this prospectus is a part; and
- o 6,000,000 shares that may be issued as payment of principal and interest due under our outstanding promissory notes.

As of April 28, 2005, the total number of shares of common stock that are issued and outstanding and reserved for issuance under all plans and commitments of P-Com, is approximately 15,357,881 million shares.

The selling stockholders are offering the shares of common stock pursuant to this prospectus. The selling stockholders may sell all or any portion of the shares from time to time in market transactions through any market on which our common shares are then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The timing and amount of any sale are within the sole discretion of the selling stockholders. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution".

The selling stockholders will receive all proceeds from the sale of the common stock. We will not receive any of the proceeds from the sale of the shares of common stock by the selling stockholders. We may receive proceeds from the exercise of warrants held by the selling stockholders if they opt to pay the exercise price in cash rather than executing a cashless exercise. Any net proceeds that we receive from the exercise of warrants will be used for general corporate purposes, including working capital for our business.

Our common stock is quoted on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. under the symbol "PCMC." The last sale price of our common stock, as report on the OTC Bulletin Board on April 28, 2005, was \$0.15 per share.

AN INVESTMENT IN THE SHARES OFFERED BY THIS PROSPECTUS ENTAILS A HIGH DEGREE OF RISK, INCLUDING THE RISK THAT THE COMPANY MAY NOT BE ABLE TO CONTINUE AS A GOING CONCERN. BEFORE PURCHASING ANY OF THE SHARES COVERED BY THIS PROSPECTUS, YOU SHOULD CAREFULLY READ AND CONSIDER THE RISKS AND UNCERTAINTIES DISCUSSED IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 6.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 29, 2005.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

## STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. The factors discussed in the section entitled "Risk Factors," as well as any other cautionary language in this prospectus and the information incorporated by reference into this prospectus (see the section entitled "Incorporation by Reference"), provide examples of risks, uncertainties and events that may cause our actual results to differ materially from any expectations that we describe. Some of the risks, uncertainties and other factors that may cause the actual results or outcomes to differ materially from those predicted in our forward-looking include the following:

- o our ability to continue as a going concern given our deteriorating cash position and receivables;
- o our need to raise additional equity capital during the next sixty days and whether that capital is available on acceptable terms, if at all;
- o our current sales levels and sales trends;
- o our ability to achieve positive cash flow given our existing and anticipated operating and other costs, and current sales trends;
- o our ability to increase sales in our unlicensed product lines;
- o the risk that any of our customers may seek alternative suppliers to provide repair and maintenance services for their existing products;
- o competitive market conditions, including the lack of diversity in our product lines;
- o our reliance upon subcontractors; and
- o the timing of new technology and product introductions.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus. We do not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

## PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and it may not contain all of the information that you should consider before investing in the securities offered by this prospectus. You should read this entire prospectus carefully, including the section entitled "Risk Factors" and the information incorporated by reference into to this prospectus (see the section entitled "Incorporation by Reference") before making an investment decision.

## THE COMPANY

Historically, P-Com's business involved the development, manufacture, marketing and distribution of microwave radios for point-to-point, spread spectrum and point-to-multipoint applications for telecommunications networks worldwide. P-Com's most successful product, Tel-Link, was first shipped in 1992. The product was very successful, shipping over 100,000 radios during the life of the product line. While these radios have been a reliable part of our customer's networks, over time many of them experience failures, requiring repair and maintenance. As a result, a substantial portion of P-Com's current business involves the sale of refurbished Tel-Link radios, in connection with P-Com's repair and maintenance business (the "RMA Business").

On December 10, 2003, we acquired the Wave Wireless Networking division of SPEEDCOM Wireless Corporation. Wave Wireless Networking specializes in manufacturing, configuring and delivering custom broadband wireless access networking equipment, including the SPEEDLAN family of wireless Ethernet bridges and routers, for business and residential customers internationally. The acquisition provides us with unlicensed point-to-point and spread spectrum wireless access systems. We currently intend to expand our SPEEDLAN family of products to include additional "next-generation" products that meet customers' demands for security, surveillance and other applications.

On March 10, 2005, the Registrant appointed its Vice President, General Counsel and Acting Chief Financial Officer, Daniel W. Rumsey, as its Chief Restructuring Officer. Mr. Rumsey, 44, was appointed Vice President and General Counsel of the Registrant in March 2003. In April 2003, he became Acting Chief Financial Officer. Mr. Rumsey will assume responsibilities as principal executive officer of the Registrant.

In April 2005, P-Com announced a formal restructuring plan that will significantly curtail current spending, and substantially reduce liabilities and operating and other costs (the "Restructuring Plan"). The Restructuring Plan was caused by the substantial operating losses incurred by P-Com, and management's assessment that substantial operating losses would continue in the short term absent a plan to restructure the business, and substantially reduce its cost structure. In addition, absent such a plan, P-Com would likely be unable to attract financing on reasonable terms, if at all.

The Restructuring Plan includes the divestiture of certain unprofitable product lines, which includes certain of our licensed point-to-point microwave products. P-Com will, however, continue the sale of its unlicensed radio products, and certain of its licensed radio products, including refurbished licensed products in connection with our RMA Business. The Restructuring Plan also currently includes a reduction in work force from approximately 130 full and part-time employees to approximately 60 employees worldwide by the end of the third quarter 2005. The anticipated cost of the Restructuring Plan is approximately \$5.0 million, and includes severance and related liabilities, costs associated with the cancellation of purchase order commitments, the write-down of certain inventory, and the loss anticipated from the divestiture of P-Com's Italian operations. Management currently anticipates that the Restructuring Plan will be completed by the end of the third quarter of 2005. The Plan was approved by the Company's Board of Directors on April 27, 2005.

Our executive offices are located at 3175 S. Winchester Boulevard, Campbell, California 95008, and our telephone number is (408) 866-3666. In this prospectus, references to "P-Com," the "Company," "we," "us" and "our" refer to



P-Com, Inc. and its subsidiaries.

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## THIS OFFERING

Shares offered by the selling Stockholders 22,220,880 shares of common stock, including 5,569,524 shares currently outstanding, 4,365,214 shares issuable upon conversion of outstanding convertible preferred stock, 4,923,643 shares issuable upon exercise of outstanding warrants and warrants that will be outstanding prior to the effectiveness of the registration statement of which this prospectus is a part, and 6,000,000 shares that may be issued as payment of principal and interest due under outstanding promissory notes.

Plan of Distribution The selling stockholders are offering these shares of common stock. The selling stockholders may sell all or any portion of the shares from time to time in market transactions through any market on which our common shares are then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The timing and amount of any sale are within the sole discretion of the selling stockholders. See the section entitled "Selling Stockholders" on page 16 and the section entitled "Plan of Distribution" on page 23.

Use of proceeds The selling stockholders will receive all proceeds from the sale of the common stock. We will not receive any of the proceeds from the sale of the shares of common stock by the selling stockholders. We may receive proceeds from the exercise of warrants held by the selling stockholders if they opt to pay the exercise price in cash rather than executing a cashless exercise. Any net proceeds that we receive from the exercise of warrants will be used for general corporate purposes, including working capital for our business.

Risk factors The purchase of our common stock involves a high degree of risk, including the risk that the Company may not be able to continue as a going concern. You should carefully review and consider "Risk Factors" beginning on page 6.

OTC Bulletin Board Trading "PCMC"  
Symbol

Our selected financial data, set forth below, should be read in conjunction with our "Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2004, incorporated by reference into this prospectus. All share and per share amounts have been restated to reflect the one for thirty reverse stock split effective July 19, 2004.

**STATEMENT OF OPERATIONS DATA**  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2004	2003 (2)	2002 (3)	2001(4)	2000(5) (6)
Sales	\$ 24,175	\$ 20,841	\$ 29,686	\$ 73,236	\$ 183,606
Cost of sales	18,720	20,604	30,777	94,890	160,965
Gross profit (loss)	5,455	237	(1,091)	(21,654)	22,641
Operating expenses:					
Research and development	4,976	6,099	12,745	19,800	20,241
Selling and marketing	6,772	3,557	6,621	7,636	11,371
General and administrative	4,552	5,607	10,750	26,070	18,181
Goodwill impairment / amortization	--	--	11,409	8,034	19,550
Restructuring and other charges	--	3,712	--	--	--
Total operating expenses	16,300				