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 EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2017

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 000-26399

Inventergy Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**62-1482176**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
19925 Stevens Creek Blvd., #142 Cupertino, CA	**95014**
(Address of Principal Executive Offices)	(Zip Code)

(408) 389-3510
(Registrant's telephone number, including area code)

900 E. Hamilton Avenue #180
Campbell, CA 95008
(Former name, former address and former fiscal year, if changed since last report)

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 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 ☐

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 the definitions 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
	☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes ☐ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of August 11, 2017, the registrant had 16,664,165 shares of common stock outstanding.

Inventergy Global, Inc. and Subsidiary

Quarterly Report on Form 10-Q

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this Quarterly Report on Form 10-Q ("the Quarterly Report"), including in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere herein may address or relate to future events and expectations and as such constitutes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended ("the Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("the Exchange Act"). Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our business, including many assumptions regarding future events. Such forward-looking statements include statements regarding, among other things:

- our ability to continue as a going concern;
- anticipated growth and growth strategies;
- the need for additional capital and the availability of financing;
- the ability to secure additional patents;
- the ability to monetize patents or recoup our investment;
- the ability to protect intellectual property rights;
- new legislation, regulations or court rulings related to enforcing patents that could harm our business and operating results;
- expansion plans and opportunities;
- our ability to attract and retain key members of our management team;
- our anticipated needs for working capital;
- the anticipated trends in our industry;
- our ability to expand operational capabilities; and
- competition existing today or that will likely arise in the future.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "should," "would," "could," "scheduled," "expect," "anticipate," "estimate," "believe," "intend," "seek," or "project" or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, many of which are described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. These risks and uncertainties could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict.

In light of these risks and uncertainties there can be no assurance that the forward-looking statements contained herein will in fact occur. Readers should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the "SEC").

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2017 (unaudited)	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 70,455	$ 1,476,774
Accounts receivable	5,994	20,818
Prepaid expenses and other current assets	507,370	978,371
Deferred expenses, current	-	97,409
Total current assets	**583,819**	**2,573,372**
Property and equipment, net	-	8,260
Patents, net	-	7,158,941
Intangible assets, net	-	273,083
Investment in INVT SPE LLC	42,962,899	-
Goodwill	-	8,858,504
Deposits and other assets	18,993	18,993
Total assets	**$ 43,565,711**	**$ 18,891,153**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,718,331	$ 1,639,630
Accrued expenses and other current liabilities	332,500	172,441
Short-term loan payable, related party	385,000	-
Guaranteed payments, current	2,200,000	2,200,000
Senior notes payable, current	-	8,144,306
Deferred revenue	-	400,000
Total current liabilities	**4,635,831**	**12,556,377**
Deferred revenue, non-current	-	846,429
Senior notes payable, net of discount	-	-
Senior revenue share, net of discount	-	3,948,153
Total liabilities	**4,635,831**	**17,350,959**
Commitments and Contingencies (Note 7)		
Stockholders' equity		
Preferred stock, $0.001 par value, 10,000,000 shares authorized		
Series C convertible preferred stock: 2,500 shares designated, 5 shares issued and outstanding at June 30, 2017 and December 31, 2016 (aggregate liquidation preference of $5,000 at June 30, 2017 and December 31, 2016)	-	-
Series D convertible preferred stock: 1,500 shares designated, 369 shares issued and outstanding at June 30, 2017 and December 31, 2016 (aggregate liquidation preference of $369,000 at June 30, 2017 and December 31, 2016)	-	-
Series E convertible preferred stock: 3,000 shares designated, 2,258 shares and 3,000 shares issued and outstanding at June 30, 2017 and December 31, 2016 (aggregate liquidation preference of $2,258,000 and $3,000,000 at June 30, 2017 and December 31, 2016)	2	3
Common stock, $0.001 par value; 100,000,000 shares authorized, 15,137,017 shares and 11,532,235 shares issued and outstanding at June 30, 2017 and December 31, 2016	15,137	11,532
Additional paid-in capital	64,783,774	64,532,323
Accumulated deficit	(25,869,033)	(63,003,664)
Total stockholders' equity	**38,929,880**	**1,540,194**
Total liabilities and stockholders' equity	**$ 43,565,711**	**$ 18,891,153**

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues	$ 1,153,003	$ 1,441,209	$ 1,256,608	$ 1,568,180
Operating Expenses				
Cost of revenues	334,305	271,889	370,492	321,014
Patent amortization expense	125,915	377,744	503,660	755,489
General and administrative	876,252	1,791,278	2,077,013	3,386,499
Total operating expenses	1,336,472	2,440,911	2,951,165	4,463,002
Loss from operations	(183,469)	(999,702)	(1,694,557)	(2,894,822)
Other income (expense)				
Gain on debt extinguishment	40,802,730	-	40,802,730	2,434,661
Decrease in fair value of derivative liabilities	-	3,413	-	618
Interest expense, net	(924,511)	(971,445)	(1,973,542)	(2,000,028)
Total other income (expense), net	39,878,219	(968,032)	38,829,188	435,251
Net income (loss)	39,694,750	(1,967,734)	37,134,631	(2,459,571)
Deemed dividend on preferred stock	-	-	-	(466,667)
Net income (loss) attributable to common shareholders	$ 39,694,750	$ (1,967,734)	$ 37,134,631	$ (2,926,238)
Basic income (loss) per share	$ 2.99	$ (0.44)	$ 2.99	$ (0.67)
Fully diluted income (loss) per share	$ 1.76	$ (0.44)	$ 1.72	$ (0.67)
Weighted average shares outstanding:				
Basic	13,282,916	4,518,396	12,408,966	4,336,888
Fully diluted	22,512,548	4,518,396	21,638,598	4,336,888

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,	
	2017	2016
Cash flows from operating activities		
Net income (loss)	$ 37,134,631	$ (2,459,571)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation expense	8,260	8,502
Gain on debt extinguishment	(40,802,730)	(2,434,661)
Decrease in fair value of derivative liabilities	-	(618)
Amortization of discount on notes payable	1,261,156	1,447,400
Accrued interest on patents purchased	-	123,233
Amortization of patents and acquired contracts	776,745	811,989
Stock-based compensation	249,020	393,456
Changes in operating assets and liabilities		
Accounts receivable	14,824	4,966
Prepaid expenses and other current assets, net	452,017	(24,140)
Deferred expenses	97,409	(34,877)
Accounts payable	78,701	(384,683)
Accrued expenses and other current liabilities	185,077	405,555
Deferred revenue	(1,246,429)	300,000
Net cash used in operating activities	(1,791,319)	(1,843,449)
Cash flows from financing activities		
Proceeds from issuance of preferred stock, net of issuance costs	-	2,425,000
Proceeds from issuance of common stock, net of issuance costs	-	1,182,278
Proceeds from short-term notes payable, related party	385,000	-
Payments on senior notes payable	-	(1,640,016)
Payments on related party note payable	-	(50,000)
Net cash provided by financing activities	385,000	1,917,262
Net increase (decrease) in cash and cash equivalents	(1,406,319)	73,813
Cash and cash equivalents, beginning of period	1,476,774	554,556
Cash and cash equivalents, end of period	$ 70,455	$ 628,369
Supplemental disclosures of cash flow information		
Cash paid for interest	$ -	$ 426,249
Supplemental disclosures of non-cash investing and financing activities		
Fair value of common stock warrants	$ 341,535	$ 1,481,978

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2017 and 2016

1. Organization

Inventergy Global, Inc. ("Inventergy," "Company," "we," "us," or "our") is an intellectual property ("IP") investment and licensing company that works with technology-leading corporations in attaining greater value from their IP assets in support of their business objectives and corporate brands. Our original monetization and licensing business was enhanced in April 2016, when the Company formed Inventergy Innovations, LLC ("Inventergy Innovations") as a majority-owned subsidiary of the Company. The Company has two distinct business execution approaches to achieve monetization of IP:

- Inventergy Innovations: Commercialization of a broad range of intellectual assets and innovations through which Inventergy Innovations obtains exclusive rights to IP owned by its partners, and

- Patent Residual Interest Program ("PRIP"): Monetization through enforcement of the 740 telecommunications patents previously owned by the Company ("the Patents") which were transferred to INVT SPE LLC ("INVT SPE") in April 2017 as more fully explained in Note 3.

In addition, the Company has an access control and security product/service business which provides royalty revenue based on the sale of such products under a licensing agreement ("ECS" or "the ECS business").

The Company's two core strategies are to (1) commercialize IP by establishing partnerships with companies that have developed or acquired IP with potential applications in large, growing markets, and (2) assist the Managing Member of INVT SPE as needed with the monetization efforts for the Patents under the PRIP, sharing in the proceeds of such efforts after monetization costs and other contractual and priority payments are covered.

Inventergy, Inc. was initially organized as a Delaware limited liability company under the name Silicon Turbine Systems, LLC in January 2012. It subsequently changed its name to Inventergy, LLC in March 2012 and it was converted from a limited liability company into a Delaware corporation in February 2013. On June 6, 2014, a subsidiary of eOn Communications Corporation ("eOn") merged with and into Inventergy, Inc. (the "Merger"). As a result of the Merger, eOn changed its name to "Inventergy Global, Inc." The Company is headquartered in Cupertino, California.

The Company operates in a single industry segment.

2. Summary of Significant Accounting Policies

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. The accompanying interim financial statements are condensed and should be read in conjunction with the Company's latest annual financial statements. It is management's opinion that all adjustments necessary for a fair presentation of the results for the interim periods have been made, and all such adjustments were of a normal recurring nature.

Liquidity and Capital Resources

In accordance with ASU No. 2014-15 *Presentation of Financial Statements – Going Concern (Subtopic 205-40),* the Company's management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

At June 30, 2017, the Company has an accumulated deficit since inception of $25,869,033 as well as negative cash flows from operations and had negative working capital of $4,052,012. As of August 10, 2017, the Company had remaining cash of $47,066 which will not be sufficient to meet its plans in the next twelve months from issuance of these financial statements. These factors raise substantial doubt about our ability to continue as a going concern. Since January 1, 2015, to maintain operations, the Company has generated cash through sales and enforcement of its patents of approximately $7.55 million, sales and licensing revenue from its subsidiary in the ECS business of approximately $363,000, increased debt borrowing from the Senior Lender (as defined below) of $1,126,900, sale of convertible preferred stock of approximately $1.5 million (net of issuance costs and partial redemption), and approximately $8.1 million from the sale of common stock (net of issuance costs). Management will seek to continue operations primarily with revenue received through the Inventergy Innovations commercialization programs and the Company's share of net patent monetization revenue from the PRIP (see Note 3), but the Company anticipates it will need to seek additional financing through loans and/or the sale of securities. If the Company is required to raise additional financing capital, it may not be able to obtain such additional capital on acceptable terms or at all and the Company may not succeed in its future operations. Additionally, if the Company raises capital through the issuance of equity, current stockholders will experience dilution. If the Company cannot successfully raise additional capital and implement its strategic development plan, its liquidity, financial condition and business prospects will be materially and adversely affected, and the Company may have to cease operations.

The transfer of the Patents to INVT SPE under the PRIP, which was completed in April 2017, resulted in the net book value of the Patents being removed from our balance sheet as of April 30, 2017. In addition, the Senior Notes (as defined below) and revenue share liabilities were extinguished as of that date. The net impact on liquidity from these transactions is a decrease in interest expense, a decrease in patent maintenance costs, and a decrease in legal fees. However, the business will need additional capital and/or revenues to continue to execute the Company's business plan, which will be used to fund operating expenses and Inventergy Innovations partner acquisition expenses. Based on the Company's internal planning for 2017, which anticipates certain cash inflows and revenue from the Inventergy Innovations commercialization deal pipeline expected to close during 2017, estimated cash expenditures for operating expenses will be approximately $3.4 million for the next twelve months, consisting of approximately $2.1 million in personnel related costs (including costs related to third party consultants performing outsourced functions), $0.3 million in facilities and infrastructure costs and $1.0 million in other operational costs. Based on the foregoing and our existing cash balances and proactive measures to reduce expenses and defer obligations where possible, our management believes we have funds sufficient to meet our anticipated needs for less than two months from the filing date of this quarterly report on Form 10-Q.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern; however, the above conditions raise substantial doubt about the Company's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Management estimates and related risks

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Although these estimates reflect management's best estimates, it is at least reasonably possible that a material change to these estimates could occur in the near term.

Cash and cash equivalents

The Company considers all highly liquid financial instruments with original maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable, net

Accounts receivable are stated net of allowances for doubtful accounts. The Company typically grants standard credit terms to customers in good credit standing. The Company generally reserves for estimated uncollectible accounts on a customer-by-customer basis, which requires judgment about each individual customer's ability and intention to fully pay account balances. The Company makes these judgments based on knowledge of and relationships with customers and current economic trends, and updates estimates on a monthly basis. Any changes in estimate, which can be significant, are included in earnings in the period in which the change in estimate occurs. As of June 30, 2017, the Company has not established any reserves for uncollectable accounts.

Property and equipment, net

Property and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets (or the term of the lease, if shorter), which range from three to five years. Routine maintenance and repair costs are expensed as incurred. The costs of major additions, replacements and improvements are capitalized. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation is removed and any resulting gain or loss is credited or charged to operations.

Intangible Assets

Intangible assets consist of certain contract rights acquired in the Merger. Intangible assets are amortized on a straight-line basis over their estimated useful life of five years.

Impairment of long-lived assets

The Company evaluates the carrying value of long-lived assets on an annual basis, or more frequently whenever circumstances indicate a long-lived asset may be impaired. When indicators of impairment exist, the Company estimates future undiscounted cash flows attributable to such assets. In the event cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair value.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents. Cash and cash equivalents are deposited with high quality financial institutions. Periodically, such balances are in excess of federally insured limits.

Stock-based compensation

The Company has a stock option plan under which incentive and non-qualified stock options and restricted stock awards ("RSAs") are granted primarily to employees. All share-based payments to employees, including grants of employee stock options and RSAs, are recognized in the financial statements based on their respective grant date fair values. The benefits of tax deductions in excess of recognized compensation cost are reported as an operating cash flow.

The Company estimates the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods in the Company's statements of comprehensive income or loss. The Company has estimated the fair value of each option award as of the date of grant using the Black-Scholes option pricing model. The fair value of RSAs is calculated as the fair value of the underlying stock multiplied by the number of shares awarded. The awards issued consist of fully-vested stock awards, performance-based restricted shares, and service-based restricted shares.

Expenses related to stock-based awards issued to non-employees are recognized at fair value on a recurring basis over the expected service period. The Company estimates the fair value of the awards using the Black-Scholes option pricing model.

Income taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax asset and liability account balances are determined based on temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. A valuation allowance is established when it is more likely than not that deferred tax assets will not be realized. Realization of deferred tax assets is dependent upon future pretax earnings, the reversal of temporary differences between book and tax income, and the expected tax rates in future periods. The Company has a full valuation allowance on all deferred tax assets.

The Company is required to evaluate the tax positions taken in the course of preparing its tax returns to determine whether tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount that is initially recognized.

Recently Adopted Accounting Standards

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows*. This ASU provides guidance on the presentation of cash, cash equivalents and restricted cash in the statement of cash flows to reduce the current diversity in practice. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company has adopted this standard for its fiscal year 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update (ASU) 2016-09, *Improvements to Employee Share-Based Payment Accounting*. This Update is part of the FASB's simplification initiative. The areas of simplification involve several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The new standard is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company has adopted this standard for its fiscal year 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

3. Prior Borrowing Arrangements and Restructuring Agreement

On October 1, 2014, the Company and its wholly-owned subsidiary, Inventergy, Inc., entered into the Revenue Sharing and Note Purchase Agreement with DBD Credit Funding, LLC (the "Senior Lender"). On February 25, 2015, the Company, Inventergy, Inc. and the Senior Lender entered into the Amended and Restated Revenue Sharing and Note Purchase Agreement (the "Senior Debt Agreement"). Pursuant to the Senior Debt Agreement, the Company issued an aggregate of $12,199,500 in Senior Notes ("Senior Notes") to the purchasers identified in the Senior Debt Agreement (the "Note Purchasers"). As a result of the issuance of the Senior Notes and the sale of 50,000 shares of the Company's common stock (the "Senior Lender Shares") to the Senior Lender, after the payment of all purchaser-related fees and expenses relating to the issuance of the Senior Notes and Senior Lender Shares, the Company received net proceeds of $11,137,753 (which were net of issuance costs of $476,868). The Company used the net proceeds to pay off existing debt and for general working capital purposes. The unpaid principal amount of the Senior Notes required monthly cash interest payments equal to LIBOR plus 7% (total interest rate of approximately 8.7% while the loan was outstanding). In addition, a 3% per annum paid-in-kind ("PIK") interest was accrued increasing the principal amount of the Senior Notes by the amount of such interest. The PIK interest was treated as principal of the Senior Notes for all purposes of interest accrual or calculation of any premium payment. In connection with the execution of the Senior Debt Agreement, the Company paid to the Senior Lender a structuring fee equal to $385,000, which was accounted for as a discount on notes payable.

In December 2016, the Company and the Senior Lender and CF DB EZ LLC (the "Managing Member") entered into a Restructuring Agreement (the "Restructuring Agreement") to further amend the Senior Debt Agreement. Among other terms, the Restructuring Agreement required the Company to transfer 740 telecommunications patents to a special purpose entity, as discussed in detail below. Pursuant to the Restructuring Agreement, the Managing Member has the sole discretion to make any and all decisions relating to the transferred patents and patent monetization activities (excluding future acquired patents related to Inventergy Innovations, LLC, a subsidiary of Parent, and related monetization activities), including the right to license, sell or sue unauthorized users of the Patents (the "Monetization Activities").

In addition, the Restructuring Agreement modifies the revenue share provided for in the Senior Debt Agreement such that all proceeds from the Monetization Activities will be applied as follows: (i) first, to pay for certain third party expenses incurred by the Company, the Managing Member or third party brokers in relation to the Monetization Activities, (ii) second, to pay up to $2.2 million of the Company's outstanding principal debt to a third party from whom the Company previously purchased certain Patents, in the event any Monetization Activity is directly attributable to those certain Patents, (iii) third, if a Monetization Activity triggers a payment with respect to a retained interest owed to a party from whom the Company originally purchased the Patents, payment will be made to such prior owner, as required, (iv) fourth, to the Managing Member until the Managing Member has received (x) reimbursement of any amounts advanced by the Managing Member pursuant to the Restructuring Agreement plus 20% annual interest on such advances plus (y) $30.5 million less any amounts paid to the Managing Member for the note obligations under the Senior Debt Agreement after December 22, 2016, and (v) fifth, after all of the foregoing payment obligations are satisfied, 70% to the Managing Member and 30% to the Company.

The Restructuring Agreement required that the Company obtain stockholder approval and consents of third parties to the assignment of the Patents to INVT SPE, the newly created special purpose entity. Stockholder approval was obtained at a special meeting of stockholders on March 8, 2017 and in April 2017 the Company completed all requirements under the Restructuring Agreement and the Patents were transferred to INVT SPE. INVT SPE is managed by the Managing Member, and the economic arrangements provided for under the Restructuring Agreement are reflected in the governing documents for INVT SPE.

Upon the transfer of the Patents to INVT SPE, the Senior Notes and the revenue share liabilities were extinguished, the Company was relieved of any scheduled amortization (instead, payments to the Senior Lender will only be required out of Monetization Revenues), the liquidity covenant no longer applies, and the Company has been relieved from any further responsibility to maintain the Patents, retroactive to December 22, 2016. Based on these terms and the consideration exchanged, this transaction was accounted for as an extinguishment of debt, and as of the effective date of the Restructuring Agreement (April 30, 2017), the Company recorded a gain on debt extinguishment of $40,802,730, computed as follows:

Elimination of Senior Notes	$	9,405,462
Elimination of Senior Revenue Share		3,948,153
Elimination of carrying value of Patents		(6,665,280)
Elimination of Goodwill		(8,858,504)
Establishment of Investment in INVT SPE		42,962,899
Gain on debt extinguishment	$	40,802,730

The initial carrying value of investment in INVT SPE was established by an independent, third-party valuation firm, using the income approach and modeling the net discounted future licensing revenue opportunity in the three primary market segments currently targeted by INVT SPE. The valuation also employed the market approach in the derivation of royalty rates used to arrive at projected revenues. As part of the accounting for the debt extinguishment, the Company wrote-off goodwill in the amount of $8,858,504, as the underlying value of the goodwill was related to the initial purchase of the patents transferred to INVT SPE as of April 30, 2017.

The Restructuring Agreement is subject to certain events of default, including, among other things, liquidation or dissolution, change of control, bankruptcy, the Company’s failure to make payments pursuant to the terms of the Restructuring Agreement or the Company’s failure to perform or observe certain covenants. Upon the occurrence of an event of default, the Senior Lender may proceed to protect and enforce its rights through seeking the Company’s specific performance of any covenant or condition, as set forth in the Restructuring Agreement, or may declare the remaining unpaid balance owed under the Senior Debt Agreement, as amended, and any other amounts owed pursuant to the Restructuring Agreement to be immediately due and payable.

4. Stockholders’ Equity

Common stock

The Company is authorized to issue up to 110,000,000 shares, of which 100,000,000 shares have been designated as common stock and 10,000,000 shares as preferred stock. Holders of the Company's common stock are entitled to dividends if and when declared by the Board of Directors. The holders of each share of common stock shall have the right to one vote for each share and are entitled, as a share class, to elect two directors of the Company.

On October 12, 2016, the Company completed a registered public offering (the “Offering”) of shares of common stock and warrants with gross proceeds of $6.0 million. Investors received 6,000,000 shares of the Company’s common stock at a price of $1.00 per share and warrants to purchase up to 6,000,000 shares of common stock, exercisable for a period of five years, with an exercise price of $1.00 per share. The warrants are exercisable immediately. Net proceeds of the Offering paid to the Company, after fees and expenses, were approximately $5.1 million. The Company used approximately $1.3 million of the net proceeds to redeem substantially all of the remaining outstanding Series C Convertible Preferred Stock (“Series C Preferred Stock”), and the remaining $3.8 million is being used to fund its operations. The holders of the Company's Series C Preferred Stock and Series E Convertible Preferred Stock (“Series E Preferred Stock”) consented to having the first $3.8 million of net proceeds from the Offering go to the Company’s working capital before applying any proceeds of the Offering to the redemption of such preferred stock in consideration for a reduction in the exercise price of the July 2016 warrants to $1.43 and the May 2016 warrants to $1.86 and a 15% increase in the redemption premium of the Series E Preferred Stock if not redeemed on or before January 25, 2017. A registration statement for the securities sold in the Offering was previously filed on Form S-1 (File No. 333-211211), which was declared effective on September 16, 2016 by the Securities and Exchange Commission.

On May 16, 2016, the Company entered into a securities purchase agreement (the "2016 Purchase Agreement") with certain investors (the "2016 Purchasers") pursuant to which the Company sold 648,000 shares of its common stock (the "2016 Shares") at a purchase price of $2.005 per share resulting in gross proceeds to the Company of $1.3 million (the "2016 Registered Direct Offering"). In connection with the purchase of the 2016 Shares, each 2016 Purchaser received a warrant to purchase up to the number of shares of the Company's common stock equal to 100% of the 2016 Shares purchased by each of the 2016 Purchasers pursuant to the 2016 Purchase Agreement. The Warrants have an exercise price of $2.005 per share, became exercisable on the date of issuance and expire five years from the date of issuance. The 2016 Registered Direct Offering was effected as a takedown off the Company's shelf registration statement on Form S-3 (File No. 333-199647), which was declared effective on November 10, 2014, and a related prospectus supplement filed on May 16, 2016 in connection with the 2016 Registered Direct Offering. The 2016 Registered Direct Offering closed on May 18, 2016. In connection with the 2016 Registered Direct Offering, the Company entered into an engagement agreement with Chardan Capital Markets ("Chardan") to act as its exclusive placement agent. Pursuant to the agreement with Chardan, the Company paid to Chardan $116,932 in cash.

Shares of common stock reserved for future issuance were as follows as of June 30, 2017:

Series C Convertible Preferred Stock	3,335
Series D Convertible Preferred Stock	186,367
Series E Convertible Preferred Stock	9,033,000
Options to purchase common stock	487,528
Shares reserved for issuances pursuant to 2014 Plan (as defined below)	202,290
Warrants	11,615,849
Total	21,528,369

Convertible preferred stock

Convertible preferred stock as of June 30, 2017 consisted of the following:

Convertible Preferred Stock	Original Issue Price	Shares Designated	Shares Originally Issued	Shares Outstanding	Liquidation Preference
Series C	$ 1,000.00	2,500	2,500	5	$ 5,000
Series D	$ 1,000.00	750	369	369	$ 369,000
Series E	$ 1,000.00	3,000	3,000	2,258	$ 2,258,000

On January 21, 2016, the Company entered into a securities purchase agreement (the "Series C Purchase Agreement") with certain institutional accredited investors (the "Series C Investors"). Pursuant to the Series C Purchase Agreement, the Company sold to the Series C Investors in a private placement 2,500 shares of Series C Preferred Stock, each having a stated value of $1,000, for aggregate gross proceeds of $2.5 million. The Series C Preferred Stock was immediately convertible into 1,666,668 shares of the Company's common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to $1.50 per share, subject to adjustment. Because this conversion price was below the market price of the Company's common stock on the date of issue, and the Series C Preferred Stock was immediately convertible, a deemed dividend on Series C Preferred Stock was recorded as the difference between the market price on the date of issue and the conversion price. This dividend amount of $466,667 is presented separately on the Consolidated Statement of Operations and is included in Net Loss Attributable to Common Shareholders. In July and October, 2016, the Company redeemed an aggregate of 2,474 shares of the Series C Preferred Stock for $3,837,400, which included a redemption premium of $1,363,400. In addition, a total of 21 shares of Series C Preferred Stock were converted to common stock in September and October, 2016, leaving five shares of Series C Preferred Stock outstanding as of June 30, 2017.

Each Series C Investor also received a common stock purchase warrant (the "Series C Warrants") to purchase up to a number of shares of common stock equal to 85% of such Investor's subscription amount divided by $1.50, for a total of 1,416,668 shares. The Series C Warrants are exercisable for a term of five years commencing six months after the closing of the transaction at a cash exercise price of $1.79 per share. In the event that the shares underlying the Series C Warrants are not subject to a registration statement at the time of exercise, the Series C Warrants may be exercised on a cashless basis after six months from the issuance date. The Series C Warrants also contain provisions providing for an adjustment in the exercise price upon the occurrence of certain events, including stock splits, stock dividends, dilutive equity issuances (so long as the Series C Preferred Stock is outstanding) and fundamental transactions.

The Series C Purchase Agreement required the Company to hold a special meeting of stockholders to seek the approval of the holders of its common stock for the issuance of the number of shares of common stock issuable upon the conversion of the Series C Preferred Stock in excess of 19.99% of the outstanding common stock and the removal of the adjustment floor within 120 days of the execution of the Series C Purchase Agreement. The Company obtained the requisite shareholder approval on June 28, 2016. Additionally, until the Series C Preferred Stock is no longer outstanding, the Series C Investors may participate in future offerings for up to 50% of the amount of such offerings.

The Company utilized a placement agent who received a commission equal to 10% of the gross proceeds of the offering for an aggregate commission of $250,000. The placement agent will also be entitled to receive a cash fee from the exercise of the Series C Warrants. The Company paid for the Series C Investors' legal expenses of $25,000, and paid legal fees of $50,000 to the Company's outside counsel.

On May 13, 2016, the Company entered into, and consummated the transactions contemplated by, a securities purchase agreement (the "Series D Purchase Agreement") with certain accredited investors (the "Series D Investors"). Pursuant to the Series D Purchase Agreement, the Company sold to the Series D Investors in a private placement 369 shares of Series D Convertible Preferred Stock ("Series D Preferred Stock"), each having a stated value of $1,000, for aggregate gross proceeds of $369,000 (the "Financing"). The Company's Chief Executive Officer and each of the members of the Company's Board of Directors participated in the Financing in which they invested an aggregate of $144,000.

The Series D Preferred Stock is immediately convertible into shares of the Company's common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to $1.98 per share, subject to adjustment. The shares of common stock issuable upon conversion of the Series D Preferred Stock are subject to trading restrictions until the six-month anniversary of the issuance date of the Series D Preferred Stock, unless they are included in a registration statement filed by the Company prior to such date. The Series D Preferred Stock contains provisions providing for an adjustment in the conversion price upon the occurrence of certain events, including stock splits, stock dividends and fundamental transactions. The Company may redeem some or all of the Series D Preferred Stock for cash in an amount equal to 135% of the aggregate stated value then outstanding.

Each Series D Investor also received a common stock purchase warrant (the "Series D Warrants") to purchase up to a number of shares of common stock equal to 85% of such Series D Investor's subscription amount. The Series D Warrants are exercisable for a term of five years commencing six months and one day after the closing of the Financing (the "Initial Exercise Date") at a cash exercise price of $1.87 per share. Fifty percent of the Series D Warrants vested immediately and the remainder of the Series D Warrants will vest only if a Series D Investor's shares of Series D Preferred Stock remain outstanding at the Initial Exercise Date. In the event the shares underlying the Series D Warrants are not subject to a registration statement at the time of exercise, the Series D Warrants may be exercised on a cashless basis after six months from the issuance date. The Series D Warrants also contain provisions providing for an adjustment in the exercise price upon the occurrence of certain events, including stock splits, stock dividends and fundamental transactions. The Series D Purchase Agreement contains customary representations, warranties, and covenants, including covenants relating to public reporting and the use of proceeds.

On July 21, 2016, the Company entered into an agreement (the "Series E Purchase Agreement") to sell $3.0 million of Series E Preferred Stock and warrants to certain institutional accredited investors (the "Series E Investors"). Pursuant to the Series E Purchase Agreement, the Company sold to the Series E Investors in a private placement 3,000 shares of Series E Preferred Stock, each having a stated value of $1,000, for aggregate gross proceeds of $3.0 million. The Series E Preferred Stock was immediately convertible into 1,496,262 shares of the Company's common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to $2.005 per share, subject to adjustment. The Company used part of the proceeds from the sale of Series E Preferred Stock to redeem 70% of the outstanding Series C Preferred Stock. In addition, pursuant to the terms of the Series E Purchase Agreement, each of the Series C Investors was entitled to receive an additional premium such that the aggregate redemption amount is 162% of the stated value of the Series C Preferred Stock for the first 60 days after the date of the Series E Purchase Agreement and 180% thereafter. Following subsequent amendments to the Series E Purchase Agreement, the Series E Preferred Stock is redeemable at the option of the Company at 170% of the then outstanding conversion amount, and is convertible into common stock at a conversion price equal to the lesser of (a) $2.005 per share, or (b) 65% of the volume weighted average price of our common stock for ten consecutive days prior to the applicable conversion date). The Series E Purchase Agreement required the Company to hold a special meeting of stockholders to seek the approval of the holders of its common stock for the issuance of the number of shares of common stock issuable upon the conversion of the Series E Preferred Stock in excess of 19.99% of the outstanding common stock within 120 days of the execution of the Series E Purchase Agreement. The Company obtained the requisite shareholder approval on March 8, 2017.

On January 25, 2017, the Company entered into an amendment (the "Series E Amendment") to the Series E Purchase Agreement, with each of the holders of the Series E Preferred Stock. Pursuant to the Series E Amendment, the Company (i) extended the date for redemption by the Company of the Series E Preferred Stock from January 25, 2017 until March 8, 2017; (ii) increased the optional redemption amount payable to the holders of the Series E Preferred Stock after January 25, 2017 from 165% to 170% of the aggregate conversion amount then outstanding, and (iii) issued to the holders of the Series E Preferred Stock 5.5-year warrants (the "Series E Warrants") to purchase an aggregate of 1,000,000 shares of common stock of the Company at an exercise price of $0.60 per share. The Series E Warrants are not exercisable for six months following the date of issuance.

On March 8, 2017, the Company entered into a lock-up agreement with each of the holders of the Series E Preferred Stock of the Company (the "Series E Stockholders") pursuant to which the Series E Stockholders agreed not to sell any common stock obtained upon conversion of the Series E Preferred Stock, until after March 31, 2017, for less than $0.50 per share.

During the three months ended June 30, 2017, a total of 742 shares of Series E Preferred Stock were converted into an aggregate of 2,967,000 shares of common stock. In addition, accrued dividends payable on Series E Preferred Stock in the amount of $25,018 were converted into an aggregate of 100,671 shares of common stock.

Warrants

Common stock warrants outstanding as of June 30, 2017 are listed as follows:

Warrants Outstanding	Remaining Contractual Life (years)	Weighted Average Exercise	
1,000,000	6.14	$	0.600
6,000,000	4.28	$	1.000
1,000,000	6.14	$	2.005
1,271,826	4.06	$	2.005
648,000	3.88	$	2.01
158,416	3.87	$	1.87
1,416,668	3.56	$	1.79
50,000	4.67	$	2.54
10,870	2.77	$	4.60
5,762	2.77	$	5.75
27,449	2.62	$	20.00
23,858	1.58	$	22.70
3,000	0.34	$	26.60
11,615,849	4.45	$	1.43

5. Stock-Based Compensation

In November 2013, the Board of Directors authorized the 2013 Stock Plan (such plan has since been adopted by the stockholders of the Company in connection with the Merger and renamed the "Inventergy Global, Inc. 2014 Stock Plan", the "Plan" or the "2014 Plan"). Under the Plan, the Board of Directors may grant incentive stock awards to employees and directors, and non-statutory stock options to employees, directors and consultants as well as restricted stock. The Plan provides for the grant of stock options, restricted stock, and other stock-related and performance awards that may be settled in cash, stock, or other property. The Board of Directors originally reserved 360,545 shares of common stock for issuance over the term of the Plan. In September 2015, 170,000 shares were added to the Plan, and in June 2016, 250,000 shares were added to the Plan. The exercise price of an option cannot be less than the fair value of one share of common stock on the date of grant for incentive stock options or non-statutory stock options. The exercise price of an incentive stock option cannot be less than 110% of the fair value of one share of common stock on the date of grant for stockholders owning more than 10% of all classes of stock. Options are exercisable over periods not to exceed ten years (five years for incentive stock options granted to holders of 10% or more of the voting stock) from the grant date. Options may be granted with vesting terms as determined by the Board of Directors which generally include a one to five-year period or performance conditions or both. The pre-existing options were subsumed under the Plan.

Common stock option and restricted stock award activity under the Plan was as follows:

	Shares Available for Grant	Options and RSAs Outstanding: Number of Shares	Options and RSAs Outstanding: Weighted Average Exercise Price Per Share
Balance at December 31, 2016	175,046	514,772	$ 2.77
Options granted	-	-	$ -
Options forfeited	-	-	$ -
Options expired	27,744	(27,744)	$ 15.80
Balance at June 30, 2017	202,290	487,528	$ 2.04
Total vested and expected to vest shares (options)		487,528	$ 2.04
Total vested shares (options)		237,520	$ 2.45

As of June 30, 2017, all of the restricted stock granted under the Plan had vested. The aggregate intrinsic value of stock options outstanding, stock options vested and expected to vest, and exercisable at June 30, 2017 was zero, since all of the options were out-of-the-money at June 30, 2017.

Prior to the Plan being established, the Company granted the equivalent of 1,413,904 RSAs to employees and non-employees in exchange for services with vesting specific to each individual award. As of June 30, 2017, 148,144 of these RSAs were subject to rescission by the Company, and 113,388 RSAs had been cancelled or forfeited.

The following table summarizes information with respect to stock options outstanding at June 30, 2017:

Options Outstanding				Options Vested	
Exercise Price Per Share	Shares Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Shares Exercisable	Weighted-Average Exercise Price Per Share
$ 1.41	305,000	9.06	$ 1.41	90,630	$ 1.41
$ 3.10	182,528	8.30	$ 3.10	146,890	$ 3.10
	487,528	8.77	$ 2.04	237,520	$ 2.45

<u>Stock-based compensation expense</u>

There were no stock options granted during the six months ended June 30, 2017 or June 30, 2016.

The expected term of the options was based on the average period the stock options are expected to remain outstanding based on the option's vesting term and contractual terms. The expected stock price volatility assumptions for the Company's stock options were determined by examining the historical volatilities for the Company and industry peers. The risk-free interest rate assumption was based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options. The expected dividend assumption was based on the Company's history and expectation of dividend payouts. Forfeitures were estimated based on the Company's estimate of future cancellations.

Stock-based compensation for employees and non-employees related to options and RSAs recognized:

	For the three months ended June 30		For the six months ended June 30	
	2017	2016	2017	2016
General and administrative	$ 157,787	$ 263,098	$ 249,020	$ 393,456

No income tax benefit has been recognized related to stock-based compensation expense and no tax benefits have been realized from exercised stock awards. As of June 30, 2017, there were total unrecognized compensation costs of $245,294 related to these stock awards. These costs are expected to be recognized over a period of approximately 1.24 years.

Non-employee stock-based compensation expense

The Company previously issued options and restricted stock awards to non-employees in exchange for services with vesting specific to each individual award. Non-employee stock-based compensation expense is recognized as the awards vest and totaled $92,033 and $161,469 for the three months ended June 30, 2017 and June 30, 2016, respectively, and $112,297 and $220,021 for the six months ended June 30, 2017 and June 30, 2016, respectively. The fair value of RSAs is calculated as the fair value of the underlying stock multiplied by the number of shares awarded.

6. Income Taxes

On a quarterly basis, the Company records income tax expense or benefit based on year-to-date results and expected results for the remainder of the year. The Company recorded no provision for income taxes for the three- and six-month periods ended June 30, 2017 and 2016.

Deferred income taxes reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Based on the Company's historical net losses during its development stage, the Company has provided a full valuation allowance against its deferred tax assets as of June 30, 2017 and 2016.

At December 31, 2016, the Company had federal and California net operating loss carryforwards, prior to any annual limitation, of approximately $55.5 million and $11.1 million, respectively, expiring beginning in 2021 for federal and 2016 for California. The use of the Company's net operating loss carryforwards is subject to certain annual limitations and may be subject to further limitations as a result of changes in ownership as defined by the Internal Revenue Code and similar state provisions. An ownership change date occurred in June 2014 at the Merger with eOn so that an annual limitation was estimated to reduce the federal net operating loss carryforward to approximately $30.4 million with no further limitation to the CA net operating loss carryforward, and an ownership change date occurred in July 2016, resulting in a reduction of the federal net operating loss carryforward to approximately $9.6 million and a reduction in the California net operating loss carryforward to approximately $5.5 million. Notwithstanding, these federal and state net operating loss carryforwards could be further reduced if there are further ownership changes.

The Company files income tax returns in the U.S. and various state jurisdictions including California. In the normal course of business, the Company is subject to examination by taxing authorities including the United States and California. The Company is not currently under audit or examination by either of these jurisdictions. The federal and California statute of limitations remains open back to 2011 for federal and 2010 for California. However, due to the fact that the Company has net operating losses carried forward dating back to 2001, certain items attributable to technically closed years are still subject to adjustment by the relevant taxing authority through an adjustment to the tax attributes carried forward to open years.

7. Commitments and Contingencies

Operating lease

In March 2014, the Company entered into a non-cancelable thirty-eight month lease agreement for offices in Campbell, California which commenced June 1, 2014 with escalating rent payments ranging from approximately $9,200 to $9,800 per month and one option to extend the lease term for an additional three years. Included in the lease agreement was a full rent abatement period of two months. Rent expense is recognized on a straight line basis. The future minimum payments related to this lease are as follows:

Years ending December 31:	
2017	39,192
Total	$ 39,192

Rent expense was $27,152 in each of the three months ended March 31, 2017 and 2016 and $54,303 in each of the six months ended June 30, 2017 and 2016.

In July 2017, the Company vacated its offices in Campbell, California and signed a six-month lease for office space in Cupertino, California which requires lease payments of $1,767 per month.

Guaranteed payments

The Company entered into an agreement to purchase certain patent assets under which a $2,000,000 guaranteed payment was due on December 1, 2015. In October 2015, the Company and the other party amended the terms of the original patent purchase agreement, with the amendment providing that the Company make a $550,000 payment on January 31, 2016 and a $1,650,000 payment on July 1, 2016. The total amount of $2,200,000 remains outstanding and accrues interest at 10% per annum, and is expected to be repaid from net monetization revenues generated by INVT SPE under the PRIP (see Note 3).

Nasdaq Listing

Previously, on November 21, 2016 and on April 7, 2017, the Company received notice from The NASDAQ Stock Market (“Nasdaq”) indicating that, because the closing bid price for the Company’s common stock had fallen below $1.00 per share for 30 consecutive business days, the Company no longer complied with the minimum bid price requirement (the “Minimum Bid Price Requirement”) and the minimum $2,500,000 stockholders’ equity requirement (the “Stockholders’ Equity Requirement”) for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) and Rule 5550(b)(1), respectively.

The Company subsequently submitted a notice of appeal to Nasdaq appealing its determination that the Company no longer complied with the Stockholders’ Equity Requirement, which appeal was heard before a hearings panel (the “Panel”) on June 1, 2017.

On May 23, 2017, the Company received notice from Nasdaq that the Company had not regained compliance with the Minimum Bid Price Requirement, which serves as an additional basis for delisting the Company’s common stock from the Nasdaq Capital Market. Nasdaq further advised the Company that the Panel will consider this matter in rendering a determination regarding the Company’s continued listing on the Nasdaq Capital Market.

On June 5, 2017, the Company received notice from Nasdaq that the Panel has determined to delist the shares of the Company from the Nasdaq Stock Market and will suspend trading in the Company’s shares effective at the open of business on June 7, 2017. The Company submitted a request to the Office of Appeals and Review on June 20, 2017, requesting that the Nasdaq Listing and Hearing Review Council (the “Council”) review the Panel’s decision. On July 28, 2017, the Company updated the Council regarding the third party independent valuation that was undertaken to establish the value of INVT SPE and the resulting positive impact on the Company’s stockholders’ equity, which the Company believes enables it to regain compliance with Nasdaq’s Stockholders’ Equity Requirement.

8. Subsequent Event

On July 26, 2017, the Company entered into an Exchange Right and Leak-Out Agreement with holders of the Series E Convertible Preferred Stock. Pursuant to the agreement, in lieu of the conversion right as provided in the Certificate of Designation of Preferences, Rights and Limitations of the Series E Preferred Stock, each holder has the right to exchange its shares (the “Shares”) of Series E Preferred Stock for shares (the “Exchange Shares”) of the Company’s common stock at an exchange rate so that for each Share, the holder will receive a number of Exchange Shares that would yield net proceeds of $1,350 upon resale of such Exchange Share. Additionally, the holders consented to any Company non-equity linked financing or financing of its interest in INVT SPE subject to certain limitations as provided in the agreement. The holders also agreed to not sell the Exchange Shares in an amount that would exceed the greater of (a) a percentage of the total trading volume on any given day and (b) $500, with an aggregate limit of 25% of total trading volume among all holders. Any sale of Exchange Shares at a price of more than $0.20 per share (the “Break-out Price”) is not subject to the agreement. The Break-out Price may be further reduced if the Company does not meet certain requirements under the agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the financial statements of the Company and the notes thereto.

Overview

The Company is an intellectual property ("IP") investment and licensing company that works with technology-leading corporations in attaining greater value from their IP assets in support of their business objectives and corporate brands. The Company enhanced its monetization and licensing business in April 2016, when it formed Inventergy Innovations, LLC ("Inventergy Innovations") as a majority-owned subsidiary of the Company. The Company now has two distinct business execution approaches to achieve monetization of IP:

- Inventergy Innovations: Commercialization of a broad range of intellectual assets and innovations through which Inventergy Innovations obtains exclusive rights to IP owned by its partners, and

- Patent Residual Interest Program ("PRIP"): Monetization through enforcement of the 740 telecommunications patents previously owned by the Company ("the Patents") which were transferred to INVT SPE LLC ("INVT SPE") in April 2017 as more fully explained in Note 3 to the Condensed Consolidated Financial Statements.

In addition, the Company has an access control and security product/service business which provides royalty revenue based on the sale of such products under a licensing agreement ("ECS" or "the ECS Business").

The Company's two core strategies are to (1) commercialize IP by establishing partnerships with companies that have developed or acquired IP with potential applications in large, growing markets, and (2) assist the Managing Member of INVT SPE as needed with the monetization efforts for the Patents under the PRIP, sharing in the proceeds of such efforts after monetization costs and other contractual and priority payments are covered.

Critical Accounting Policies

See Note 2 of the Notes to Condensed Consolidated Financial Statements included in Item 1of this Quarterly Report on Form 10-Q for a summary of significant accounting policies and information on recently adopted accounting standards.

Results of Operations

For the Three Months Ended June 30, 2017 compared to the Three Months Ended June 30, 2016

Revenue

Revenue for the three months ended June 30, 2017 was $1,153,003 and consisted of $1,146,429 from patent licensing contracts, $4,000 from Inventergy Innovations contracts and $2,574 from our access control security product/service lines. Revenue for the three months ended June 30, 2016 was $1,441,209 and consisted of $1,400,000 from patent licensing contracts and $41,209 from our access control security product/service lines.

Cost of Revenue

Cost of revenue for the three months ended June 30, 2017 was $334,305 and consisted of $89,471 related to patent licensing revenue and amortization of $244,833 for contracts acquired in the merger with eOn Communications Corporation ("eOn") ("Merger"). Cost of revenue for the three months ended June 30, 2016 was $271,889 and consisted of $243,639 related to patent licensing revenue and amortization of $28,250 for contracts acquired in the Merger. The increase in 2017 for amortization for contracts acquired in the Merger is due to writing off the remaining balance of such contracts due to declining revenue from these contracts.

Patent Amortization Expense

Amortization expense relating to acquired patents was $125,915 for the three months ended June 30, 2017 and $377,745 for the three months ended June 30, 2016. The decrease in amortization expense is due to the transfer of 740 patents to INVT SPE LLC in accordance with the Restructuring Agreement as of April 30, 2017.

General and Administrative Expenses

General and administrative ("G&A") expenses for the three months ended June 30, 2017 were $876,252 compared to $1,791,278 for the three months ended June 30, 2016. G&A expenses for the three months ended June 30, 2017 included $65,754 and $92,033 of equity compensation expense for restricted stock awards and stock options for employees and non-employees, respectively, compared to $101,629 and $161,468 for the three months ended June 30, 2016. Salaries, wages and other personnel expenses were $269,508 and $257,654 for the three months ended June 30, 2017 and June 30, 2016, respectively, an increase of $11,854. Investor relations expense was $25,534 and $91,802 for the three months ended June 30, 2017 and June 30, 2016, respectively, a decrease of $66,268, primarily as a result of cost control measures in this and other expense areas. Patent fees were $1,950 for the three months ended June 30, 2017 compared to $647,557 for the three months ended June 30, 2016, a decrease of $645,607. This decrease was due to the elimination of patent maintenance costs following the effective date of the Restructuring Agreement as explained in Note 3 to the Condensed Consolidated Financial Statements. Legal expenses were $88,952 for the three months ended June 30, 2017, compared to $171,296 for the three months ended June 30, 2016, a decrease of $82,344. This decrease was due to the completion of the Restructuring Agreement in April 2017 which resulted in a decline in legal fees for the balance of the three months ended June 30, 2017. Other G&A expenses were $332,521 and $359,872 for the three months ended June 30, 2017 and June 30, 2016, respectively, representing a decrease of $27,351, primarily as a result of a decrease in state franchise taxes, partially offset by an increase in consulting expenses relating to the Company's Inventergy Innovations subsidiary.

Gain on Debt Extinguishment

In connection with the completion of the Restructuring Agreement effective April 30, 2017, the Company recorded a gain on debt extinguishment of $40,802,730 in the three months ended June 30, 2017. This resulted from the elimination of previously recorded amounts owed to DBD Credit Funding, LLC ("the Senior Lender"), including amounts payable under the notes ("Senior Notes") issued by the Company under the Amended and Restated Revenue Sharing and Note Purchase Agreement between the Company and the Senior Lender ("Senior Debt Agreement") and the revenue share provided for in the Senior Debt Agreement, the elimination of the net carrying amount of the 740 patents transferred to INVT SPE, the elimination of goodwill, and the establishment of the investment in INVT SPE LLC on the Company's balance sheet, all as of April 30, 2017. See Note 3 to our financial statements contained in Item 1 herein.

Decrease in Fair Value of Derivative Liabilities

Decrease in fair value of derivative liabilities was $3,413 for the three months ended June 30, 2016 and was due to a decrease in the Company's stock price during the corresponding period.

Interest Expense, Net

Interest expense, net, for the three months ended June 30, 2017 and June 30, 2016 was $924,511 and $971,445, respectively. For the three months ended June 30, 2017, this amount includes interest expense on patents purchased of $66,000, interest expense and amortization of discount and debt issuance costs on Senior Notes of $315,524, other financing costs of $509,500 and dividends on Series E convertible preferred stock of $33,487. All of these amounts were accrued except for the other financing costs, which had been paid in the second half of 2016 and were in prepaid expenses. Interest expense, net, for the three months ended June 30, 2016 includes interest expense on patents purchased of $87,666 and interest expense and amortization of discount and debt issuance costs on Senior Notes of $883,779. Of these amounts, $191,610 was paid in cash and the remaining amounts were accrued.

As discussed in Note 3 to our financial statements the Senior Notes and revenue share liabilities have been eliminated from the Company's balance sheet as of April 30, 2017, which has resulted in the elimination of future interest expense and amortization of discount on the Senior Notes.

For the Six Months Ended June 30, 2017 compared to the Six Months Ended June 30, 2016

Revenue

Revenue for the six months ended June 30, 2017 was $1,256,608 and consisted of $1,246,429 from patent licensing contracts $4,000 from Inventergy Innovations contracts and $6,179 from our access control security product/service lines. Revenue for the six months ended June 30, 2016 was $1,568,180 and consisted of $1,500,000 from patent licensing contracts and $68,180 from our access control security product/service lines.

Cost of Revenue

Cost of revenue for the six months ended June 30, 2017 was $370,492 and consisted of $97,408 related to patent licensing revenue and amortization of $273,083 for contracts acquired in the Merger. Cost of revenue for the six months ended June 30, 2016 was $321,014 and consisted of $264,514 related to patent licensing revenue and amortization of $56,500 for contracts acquired in the Merger. The increase in 2017 for amortization for contracts acquired in the Merger is due to writing off the remaining balance of such contracts due to declining revenue from these contracts.

Patent Amortization Expense

Amortization expense of $503,660, and $755,489 for the six months ended June 30, 2017 and June 30, 2016, respectively, was for the amortization of patents acquired. The decrease in amortization expense is due to the transfer of 740 patents to INVT SPE LLC in accordance with the Restructuring Agreement as of April 30, 2017.

General and Administrative Expense

General and administrative ("G&A") expenses for the six months ended June 30, 2017 were $2,077,013 compared to $3,386,499 for the six months ended June 30, 2016. G&A expenses for the six months ended June 30, 2017 included $136,723 and $112,297 of equity compensation expense for restricted stock awards and stock options for employees and non-employees, respectively, compared to $173,435 and $220,021 for the six months ended June 30, 2016. Salaries, wages and other personnel expenses were $543,473 and $649,137 for the six months ended June 30, 2017, and June 30, 2016, respectively, a decrease of $105,664 primarily as a result of the termination of three employees since April 2016. Investor relations expense was $165,560 and $125,774 for the six months ended June 30, 2017 and June 30, 2016, respectively, an increase of $39,786 primarily as a result of a special investor outreach campaign in January 2017. Patent fees were $978,932 for the six months ended June 30, 2016 compared to a credit balance of $6,532 for the six months ended June 30, 2017. This decrease was due to the absence of patent consulting costs which occurred in 2016 and the impact of the Restructuring Agreement as explained in Note 3 to the Condensed Consolidated Financial Statements. Legal expenses were $372,984 for the six months ended June 30, 2017 compared to $351,678 for the six months ended June 30, 2016. This increase of $21,306 was primarily due to legal fees incurred relating to the Restructuring Agreement. Other G&A expense was $752,508 and $887,522 for the six months ended June 30, 2017 and June 30, 2016, respectively, representing a decrease of $135,015, primarily as a result of a decrease in state franchise taxes, partially offset by an increase in consulting expenses relating to the Company's Inventergy Innovations subsidiary.

Gain on Debt Extinguishment

In connection with the completion of the Restructuring Agreement effective April 30, 2017, the Company recorded a gain on debt extinguishment of $40,802,730 in the six months ended June 30, 2017. This resulted from the elimination of previously recorded amounts owed to the Senior Lender (the Senior Notes Payable and the Senior Revenue Share), the elimination of the net carrying amount of the 740 patents transferred to INVT SPE, the elimination of goodwill, and the establishment of the investment in INVT SPE LLC on the Company's balance sheet, all as of April 30, 2017. See Note 3 to our financial statements contained in Item 1 herein.

In connection with an amendment to the Senior Debt Agreement dated March 1, 2016, the Company recorded a gain on debt extinguishment of $2,434,661 related to expected amounts of net monetization revenues to be paid to revenue participants. In connection with an amendment to the Amended Fortress Agreement dated February 25, 2015, the Company recorded a loss of $2,268,373 in the three-month period ended March 31, 2015.

Decrease in Fair Value of Derivative Liabilities

Decrease in fair value of derivative liabilities was $618 for the six months ended June 30, 2016 and was due to a decrease in the Company's stock price during the corresponding period.

Interest Expense, Net

Interest expense, net, for the six months ended June 30, 2017 and June 30, 2016 was $1,973,542 and $2,000,028, respectively. For the six months ended June 30, 2017, this amount includes interest expense on patents purchased of $132,000, interest expense and amortization of discount and debt issuance costs on Senior Notes of $1,261,055, other financing costs of $509,500 and dividends on Series E convertible preferred stock of $70,987. All of these amounts were accrued except for the other financing costs, which had been paid in the second half of 2016 and were in prepaid expenses. Interest expense, net, for the six months ended June 30, 2016 includes interest expense on patents purchased of $150,733 and interest expense and amortization of discount and debt issuance costs on Senior Notes of $1,849,295. Of these amounts, $394,745 was paid in cash and the remaining amounts were accrued.

As discussed in Note 3 to our financial statements, the Senior Notes and revenue share liabilities have been eliminated from the Company's balance sheet as of April 30, 2017, which has resulted in the elimination of future interest expense and amortization of discount on the Senior Notes.

Liquidity and Capital Resources

At June 30, 2017, the Company has an accumulated deficit since inception of $25,869,033 as well as negative cash flows from operations and had negative working capital of $4,052,012. As of August 10, 2017, the Company had remaining cash of $47,066 which will not be sufficient to meet its plans in the next twelve months from issuance of these financial statements. These factors raise substantial doubt about our ability to continue as a going concern. Since January 1, 2015, to maintain its operations, the Company has generated cash through sales and enforcement of its patents of approximately $7.55 million, sales and licensing revenue from its subsidiary in the ECS Business of approximately $366,000, increased debt borrowing from the Senior Lender of $1,126,900, sale of convertible preferred stock of approximately $1.5 million (net of issuance costs and partial redemption), and approximately $8.1 million from the sale of common stock (net of issuance costs). Management will seek to continue operations primarily with revenue received through the Inventergy Innovations commercialization programs and the Company's share of net patent monetization revenue from the PRIP, but the Company anticipates it will need to seek additional financing through loans and/or the sale of securities. If the Company is required to raise additional financing capital, it may not be able to obtain such additional capital on acceptable terms or at all and the Company may not succeed in its future operations. Additionally, if the Company raises capital through the issuance of equity, current stockholders will experience dilution. If the Company cannot successfully raise additional capital and implement its strategic development plan, its liquidity, financial condition and business prospects will be materially and adversely affected, and the Company may have to cease operations.

The transfer of the Patents (as defined below) to INVT SPE under the PRIP, which was completed in April 2017, resulted in the net book value of the Patents being removed from our balance sheet. In addition, the Senior Notes and revenue share liabilities were extinguished. We expect the net impact on liquidity to be a decrease in interest expense, a decrease in patent maintenance costs, and a decrease in legal fees. However, we will need additional capital and/or revenues to continue to execute the Company's business plan, which will be used to fund operating and partner acquisition expenses. Based on the Company's internal planning for 2017, which anticipates certain cash inflows and revenue from the Inventergy Innovations commercialization deal pipeline expected to close during 2017, estimated cash expenditures for operating expenses will be approximately $3.4 million for the next twelve months, consisting of approximately $2.1 million in personnel related costs (including costs related to third party consultants performing outsourced functions), $0.3 million in facilities and infrastructure costs and $1.0 million in other operational costs. Based on the foregoing and our existing cash balances and proactive measures to reduce expenses and defer obligations where possible, our management believes we have funds sufficient to meet our anticipated needs for less than two months from the filing date of this quarterly report on Form 10-Q.

The Company previously acquired an aggregate of approximately 740 currently active patents and patent applications (the "Patents") for aggregate purchase payments of $12,109,118. In December 2016, the Company entered into the Restructuring Agreement with DBD Credit Funding, LLC ("DBD") and CF DB EZ LLC (see Note 3 to our condensed consolidated financial statements in Item 1 herein), under which the Patents were assigned to INVT SPE in April 2017. The Company is required to make guaranteed payments to one of the sellers of the Patents totaling $2,200,000. Under the terms of the Restructuring Agreement, this amount will be paid by INVT SPE from subsequent net monetization revenues pertaining to that seller's portfolio, so long as such net monetization revenues are sufficient.

Based on the foregoing information, management believes there is substantial doubt about the Company's ability to continue as a going concern.

As of June 30, 2017, the Company had cash and cash equivalents of $70,455. Also as of June 30, 2017, the Company had negative working capital of $4,052,012. The Company's net income for the six months ended June 30, 2017 was $37,134,631 and its accumulated deficit amount was $25,869,033 as of June 30, 2017. The Company's cash and cash equivalents as of June 30, 2017 consisted primarily of funds remaining from the $5,128,311 net proceeds from the sale of common stock in a public offering in October 2016, partially offset by partial redemption of Series C Convertible Preferred Stock (the "Series C Preferred Stock") and expenditures for general operating purposes.

As of June 30, 2017, the Company had cash and cash equivalents of $70,455 compared to $1,476,774 as of December 31, 2016. The decrease in cash and cash equivalents of $1,406,319 for the six months ended June 30, 2017 was attributable to net cash used in operating activities of $1,791,319, partially offset by proceeds of short-term loans, related party, of $385,000.

Cash Flows – Operating Activities

The Company's operating activities for the six months ended June 30, 2017 resulted in net cash used of $1,791,319. Net cash used in operating activities consisted of net income of $37,134,631, offset by non-cash gain on debt extinguishment of $49,661,234, included non-cash expenses consisting of depreciation expense of $8,260, goodwill impairment loss of $8,858,504, amortization of discount and debt issuance costs on notes payable of $1,261,156, amortization of patents and acquired contracts of $776,745, and stock-based compensation of $274,038. Changes in operating assets and liabilities utilized cash of $443,419, resulting from a decrease in deferred revenue of $1,246,429, partially offset by a decrease in accounts receivable of $14,824, a decrease in prepaid expenses and other current assets of $452,017, a decrease in deferred expenses of $97,409, an increase in accounts payable of $78,701, and an increase in accrued expenses and other current liabilities of $160,059.

The Company's operating activities for the six months ended June 30, 2016 resulted in net cash used of $1,843,449. Net cash used in operating activities consisted of a net loss of $2,459,571, less non-cash gain on debt extinguishment of $2,434,661, partially offset by non-cash expenses consisting of depreciation expense of $8,502, amortization of discount and debt issuance costs on notes payable of $1,447,400, amortization of patents and acquired contracts of $811,989, accrued interest on patent purchase of $123,233, and stock-based compensation of $393,456, partially offset by a decrease in fair value of derivative liabilities of $618. Changes in operating assets and liabilities provided cash of $266,821, from a decrease in accounts receivable of $4,966, an increase in accrued expenses and other current liabilities of $405,555, and an increase in deferred revenue of $300,000, partially offset by a decrease in prepaid expenses and other current assets totaling $24,140, a decrease in deferred expenses of $34,877, and a decrease in accounts payable of $384,683.

Cash Flows – Investing Activities

The Company had no investing activities during the six months ended June 30, 2017 or the six months ended June 30, 2016.

Cash Flows – Financing Activities

The Company's financing activities for the six months ended June 30, 2017 resulted in net cash received of $385,000 from proceeds of short-term notes, related party.

The Company's financing activities for the six months ended June 30, 2016 resulted in net cash received of $1,986,262, consisting of $2,175,000 received from the sale of Series C preferred stock (net of $325,000 of issuance costs), $250,000 received from the sale of Series D preferred stock, and $1,182,278 received from the sale of common stock, partially offset by repayments of Senior Notes of $1,640,016 and repayments of $50,000 of short-term notes payable to a related party.

Off Balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company and therefore are not required to provide the information for this item for Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report, our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers"), conducted an evaluation of our disclosure controls and procedures. As defined under Sections 13a – 15(e) and 15d – 15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officers, to allow timely decisions regarding required disclosures.

Based on their evaluation, the Certifying Officers have concluded that, as of June 30, 2017, our disclosure controls and procedures were effective.

Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Internal Controls

Readers are cautioned that our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our control have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any control design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II- OTHER INFORMATION

Item 1. Legal Proceedings.

On February 24, 2017, the Company's subsidiary, Inventergy, Inc. ("Inventergy"), filed suit in the United States District Court for the District of Delaware against Apple, Inc. alleging that Apple's products and related services make use of Inventergy's patented technology and infringe the following United States patents ("the Asserted Patents"):

a. U.S. Patent No. 6,466,563 ("the '563 Patent"), titled "CDMA Mobile Station and CDMA Transmission Method";

b. U.S. Patent No. 6,611,676 ("the '676 Patent"), titled "Radio Communication Apparatus and Transmission Rate Control Method";

c. U.S. Patent No. 7,206,587 ("the '587 Patent"), titled "Communication Terminal Apparatus, Base Station Apparatus, and Radio Communication Method";

d. U.S. Patent No. 7,760,815 ("the '815 Patent"), titled "Apparatus and Method for Transmission/Reception";

e. U.S. Patent No. 7,764,711 ("the '711 Patent"), titled "CDMA Transmission Apparatus and CDMA Transmission Method";

f. U.S. Patent No. 7,848,439 ("the '439 Patent"), titled "Communication Apparatus, Communication System, and Communication Method"; and

g. U.S. Patent No. 6,760,590 ("the '590 Patent"), titled "Communication Terminal Apparatus, Base Station Apparatus, and Radio Communication Method".

Accordingly, Inventergy seeks damages in an amount adequate to compensate it for Apple's infringement, including trebled damages based on Apple's willful infringement of the Asserted Patents, a permanent injunction barring Apple from continuing to infringe the Asserted Patents, and Inventergy's attorneys' fees and costs associated with this action.

On February 27, 2017, the Company's subsidiary, Inventergy, filed suit in the United States District Court for the District of Delaware against HTC Corporation and HTC America, Inc. (collectively "HTC") alleging that HTC's products and related services make use of Inventergy's patented technology and also infringe the Asserted Patents.

Accordingly, Inventergy seeks damages in an amount adequate to compensate it for HTC's infringement, including trebled damages based on HTC's willful infringement of the Asserted Patents, a permanent injunction barring HTC from continuing to infringe the Asserted Patents, and Inventergy's attorneys' fees and costs associated with this action.

On May 25, 2017, both of the aforementioned suits were withdrawn and refiled with INVT SPE as the plaintiff.

Item 1A. Risk Factors.

We are a smaller reporting company and are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

No.	Description of Exhibit
10.1	Patent Assignment, dated April 27, 2017, between the Company and INVT SPE, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on May 3, 2017).
10.2	Limited Liability Company Agreement, dated April 27, 2017, among CF INVT Holdings LLC, the Company and INVT SPE, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Company on May 3, 2017).
31.1	Section 302 Certification of Principal Executive Officer.
31.2	Section 302 Certification of Principal Financial Officer.
32.1	Section 906 Certification of Principal Executive Officer and Principal Financial Officer.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Scheme Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Date: August 14, 2017

Inventergy Global, Inc.

By: /s/ Joseph W. Beyers
Name: Joseph W. Beyers
Title: Chief Executive Officer

By: /s/ John G. Niedermaier
Name: John G. Niedermaier
Title: Chief Financial Officer

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Joseph W. Beyers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inventergy Global, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2017

/s/ Joseph W. Beyers
Joseph W. Beyers
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, John G. Niedermaier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inventergy Global, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2017

/s/ John G. Niedermaier
John G. Niedermaier
Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Inventergy Global, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2017 (the "Report"), I, Joseph W. Beyers, Chief Executive Officer of the Company, and I, John G. Niedermaier, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2017

/s/ Joseph W. Beyers
Joseph W. Beyers
Chief Executive Officer
(Principal Executive Officer)

Date: August 14, 2017

/s/ John G. Niedermaier
John G. Niedermaier
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed from within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.