

MULTIBAND CORP
Form 10-Q
November 14, 2008

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

FORM 10-Q

(Mark One)

x

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934
FOR THE PERIOD ENDING SEPTEMBER 30, 2008

OR

..

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____
COMMISSION FILE NUMBER 0 - 1325

MULTIBAND CORPORATION

(Exact name of registrant as specified in its charter)

MINNESOTA

(State or other jurisdiction of incorporation or organization)

41 - 1255001

(IRS Employer Identification No.)

9449 Science Center Drive, New Hope, Minnesota 55428

(Address of principal executive offices)

Telephone (763) 504-3000 Fax (763) 504-3060

Internet: www.multibandusa.com

(Registrant's telephone number, facsimile number, and Internet address)

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 and 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.

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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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

On November 10, 2008 there were 9,632,305 shares outstanding of the registrant's common stock, no par value, and 297,375 outstanding shares of the registrant's convertible preferred stock.

PART I. FINANCIAL INFORMATION**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

MULTIBAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)
REVENUES	\$ 12,340,659	\$ 3,653,600	\$ 28,860,595	\$ 11,960,281
COSTS AND EXPENSES				
Cost of products and services (exclusive of depreciation and amortization shown separately below)	8,556,168	2,345,895	18,769,937	6,395,179
Selling, general and administrative	2,757,319	2,360,254	7,173,357	7,057,936
Depreciation and amortization	846,317	770,215	2,463,079	2,814,981
Impairment of assets	-	-	65,452	-
Total costs and expenses	12,159,804	5,476,364	28,471,825	16,268,096
INCOME (LOSS) FROM OPERATIONS	180,855	(1,822,764)	388,770	(4,307,815)
OTHER INCOME (EXPENSE)				
Interest expense	(300,826)	(108,847)	(514,485)	(430,264)
Management consulting income	1,446,938	-	1,446,938	-
Other income	8,109	13,267	80,699	177,361
Total other income (expense)	1,154,221	(95,580)	1,013,152	(252,903)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST IN SUBSIDIARY	1,335,076	(1,918,344)	1,401,922	(4,560,718)
PROVISION FOR INCOME TAXES	286,658	-	749,458	-
MINORITY INTEREST IN NET INCOME OF SUBSIDIARY	137,755	-	549,758	-
NET INCOME (LOSS)	910,663	(1,918,344)	102,706	(4,560,718)
Preferred stock dividends	64,014	1,793,297	4,048,696	2,153,698
INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 846,649	\$ (3,711,641)	\$ (3,945,990)	\$ (6,714,416)

INCOME (LOSS)				
ATTRIBUTABLE TO COMMON				
STOCKHOLDERS PER				
COMMON SHARE - BASIC	\$.09	\$	(.50)
			\$	(.43)
			\$	(.94)

INCOME (LOSS)				
ATTRIBUTABLE TO COMMON				
STOCKHOLDERS PER				
COMMON SHARE - DILUTED	\$.09	\$	(.50)
			\$	(.43)
			\$	(.94)

Weighted average shares outstanding – basic	9,561,718	7,356,413	9,184,475	7,177,435
Weighted average shares outstanding – diluted	9,796,685	7,356,413	9,184,475	7,177,435

See notes to condensed consolidated financial statements

MULTIBAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended		Nine Months Ended	
	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)
NET INCOME (LOSS)	\$ 910,663	\$ (1,918,344)	\$ 102,706	\$ (4,560,718)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Unrealized gains(losses) on securities:				
Unrealized holding gains(losses) arising during period	-	-	151,978	-
COMPREHENSIVE INCOME (LOSS)	\$ 910,663	\$ (1,918,344)	\$ 254,684	\$ (4,560,718)

See notes to condensed consolidated financial statements

MULTIBAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (unaudited)	December 31, 2007 (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,092,373	\$ 944,456
Accounts receivable, net	3,340,501	1,560,123
Securities available for sale	151,978	-
Inventories	2,128,393	132,992
Prepaid expenses and other	343,280	135,589
Current portion of notes receivable	61,418	59,861
Total Current Assets	17,117,943	2,833,021
PROPERTY AND EQUIPMENT, NET	1,306,054	1,769,261
OTHER ASSETS		
Goodwill	116,757	16,757
Intangible assets, net	5,107,154	4,072,076
Notes receivable – long-term, net	38,856	-
Other assets	455,432	202,314
Total Other Assets	5,718,199	4,291,147
TOTAL ASSETS	\$ 24,142,196	\$ 8,893,429
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Mandatory redeemable preferred stock, 16,200 and 22,026 Class F preferred shares	\$ 162,000	\$ 220,256
Current portion of long-term debt	1,644,633	1,658,342
Current portion of capital lease obligations	244,354	225,291
Accounts payable	8,466,643	2,950,596
Accrued liabilities – short term	3,179,204	2,531,611
Customer deposits	60,582	60,582
Deferred service obligations and revenue	985,232	204,520
Total Current Liabilities	14,742,648	7,851,198
LONG-TERM LIABILITIES		
Long-term debt, net	807,943	118,924
Capital lease obligations, net of current portion	149,796	249,469
Accrued liabilities – long term	74,243	-
Total Liabilities	15,774,630	8,219,591
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST	3,387,917	-
STOCKHOLDERS' EQUITY		
Cumulative convertible preferred stock, no par value:		
8% Class A (21,328 and 24,728 shares issued and outstanding, \$223,944 and \$259,644 liquidation preference)	320,708	371,708
	28,700	37,700

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10% Class B (2,870 and 3,770 shares issued and outstanding, \$30,135 and \$39,585 liquidation preference)		
10% Class C (114,380 and 120,250 shares issued and outstanding, \$1,143,800 and \$1,202,500 liquidation preference)	1,486,082	1,548,352
10% Class F (150,000 shares issues and outstanding, \$1,500,000 liquidation preference)	1,500,000	1,500,000
8% Class G (11,595 and 26,595 shares issued and outstanding, \$115,950 and \$265,950 liquidation preference)	47,970	111,468
6% Class H (2.0 shares issued and outstanding, \$200,000 liquidation preference)	-	-
Variable rate % Class I (0 and 39,500 shares issued and outstanding, \$0 and \$3,950,000 liquidation preference)	-	-
Common stock, no par value (9,603,294 and 7,451,891 shares issued and outstanding)	37,614,598	29,574,673
Stock subscriptions receivable	(98,453)	(170,888)
Options and warrants	46,024,617	45,871,964
Accumulated comprehensive income – unrealized gain on securities available for sale	151,978	-
Accumulated deficit	(82,096,551)	(78,171,139)
Total Stockholders' Equity	4,979,649	___673,838
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 24,142,196	\$ 8,893,429

See notes to condensed consolidated financial statements

MULTIBAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)
OPERATING ACTIVITIES		
Net income (loss)	\$ 102,706	\$ (4,560,718)
Adjustments to reconcile net income (loss) to net cash flows from operating activities		
Depreciation and amortization	2,463,079	2,829,277
Minority interest in net income of consolidated subsidiary	549,758	-
Impairment of intangibles	65,452	-
Amortization of original issue discount	-	29,746
Amortization of imputed interest discount	218,912	-
Loss on sale of property and equipment and intangible assets	51,807	150,582
Warrants issued for services	-	42,300
Gain on debt extinguishment	(29,965)	(118,040)
Stock based compensation expense for future services	152,653	549,434
Stock based compensation expense for services	18,555	-
Compensation expense of restricted stock awards	23,625	-
Management consulting income from DirecTECH	(1,446,938)	-
Change in allowance for doubtful accounts on accounts receivable	(15,000)	(97,500)
Change in reserve for stock subscriptions and interest receivable	8,102	45,000
Changes in operating assets and liabilities:		
Accounts receivable	887,553	373,588
Inventories	220,666	191,933
Prepaid expenses and other	(52,275)	182,272
Other assets	120,527	(13,051)
Accounts payable and accrued liabilities	(228,829)	(320,485)
Customer deposits	-	(750)
Deferred service obligations and revenue	780,712	(591,000)
Liabilities of discontinued operations	-	(125,000)
Net cash flows from (used by) operating activities	3,891,100	(1,432,412)
INVESTING ACTIVITIES		
Purchases of property and equipment	(112,253)	(271,588)
Cash acquired via purchase of Michigan Microtech, Inc.	4,043,942	-
Cash collected on other receivables – related parties acquired via the purchase of Michigan Microtech, Inc.	2,815,488	-
Purchase of US Install	(101,000)	-
Proceeds from sale of property and equipment and intangible assets	5,695	2,639,869
Collections on notes receivable	4,601	4,802
Net cash flows from investing activities	6,656,473	2,373,083
FINANCING ACTIVITIES		
Checks issued in excess of cash in bank	-	(319,244)
Payments on long-term debt	(83,683)	(146,405)
Payments on capital lease obligations	(152,241)	(191,405)
Payments on note payable to stockholder	-	(24,739)

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Payments on mandatory redeemable preferred stock	(58,256)	(52,744)
Payments for stock issuance costs	(25,379)	(25,916)
Payments received on stock subscriptions receivable	3,000	62
Proceeds from issuance of long term debt	100,000	-
Redemption of preferred stock	(101,700)	(77,099)
Preferred stock dividends	(81,397)	(40,217)
Net cash flows used by financing activities	(399,656)	(877,707)
INCREASE IN CASH AND CASH EQUIVALENTS	10,147,917	62,964
CASH AND CASH EQUIVALENTS		
Beginning of period	944,456	1,020,975
End of period	\$ 11,092,373	\$ 1,083,939

See notes to condensed consolidated financial statements

MULTIBAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2008 (unaudited)	September 30, 2007 (unaudited)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest, net of amortization of original issue discount and imputed interest discount	\$ 198,749	\$ 411,477
Cash paid for federal and state income taxes	681,500	-
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Conversion of Class I preferred stock into common stock	3,744,600	-
Conversion of Class G preferred stock into common stock	150,000	-
Conversion of accrued interest into common stock	2,000	15,680
Conversion of accrued dividends into common stock	175,412	534,879
Intrinsic value of preferred dividends	84,068	13,884
Purchase of property and equipment via increase of capital lease obligations	46,867	-
Purchase of US Install via increase in accrued expenses	102,516	-
Acquisition of securities available for sale upon expiration of contingent rights	208,969	-
Reduction of stock subscription receivable via cancellation of common stock	61,333	-
Debt and accrued interest paid with issuance of common stock	19,500	-
Purchase of 51% of Michigan Microtech, Inc. via issuance of notes payable and common stock, net of discount for imputed interest	5,782,690	-
Sale of property, equipment and intangible to DirecTECH for other current asset	-	-
Debt reduced by reduction in other receivable from DirecTECH	1,446,938	-
Conversion of preferred stock into common stock	-	1,706,400
Notes payable and other liens paid by MDUC as part of asset sale	-	1,713,785
Debt and interest assumed by DirecTECH as part of asset sale	-	267,143
Common stock issued for services to be rendered	157,500	164,337
Note payable issued for services to be rendered	-	44,407

See notes to condensed consolidated financial statements

MULTIBAND CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2008 AND 2007

NOTE 1 - Unaudited Consolidated Financial Statements

The information furnished in this report is unaudited and reflects all adjustments which are normal recurring adjustments and, which in the opinion of management, are necessary to fairly present the operating results for the interim periods. The operating results for the interim periods presented are not necessarily indicative of the operating results to be expected for the full fiscal year. The consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007, previously filed with the Securities and Exchange Commission.

NOTE 2 - Summary of Significant Accounting Policies

Nature of Business

Multiband Corporation and subsidiaries (the Company) was incorporated in Minnesota in September 1975. The Company provides voice, data and video services to multi-dwelling unit customers and provides video services to single family home customers. The Company's products and services are sold to customers located throughout the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern that contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the nine months ended September 30, 2008, the Company earned net income of \$102,706 versus the nine months ended September 30, 2007 in which the Company incurred a net loss of \$4,560,718. At September 30, 2008, the Company had an accumulated deficit of \$82,096,551. The Company's ability to continue as a going concern is dependent on it ultimately achieving profitability and/or raising additional capital. Management intends to sell certain assets on a strategic basis for prices agreeable to the Company and/or obtain additional debt or equity capital to meet all of its existing cash obligations and fund commitments on planned Multiband projects; however, there can be no assurance that the sources will be available or available on terms favorable to the Company. Management anticipates that the impact of the actions listed below will generate sufficient cash flows to pay current liabilities, long-term debt and capital and operating lease obligations and fund the Company's future operations for the next twelve months:

1. Reduction of operating expenses by controlling payroll, professional fees and other general and administrative expenses.
2. Sale of video assets on a strategic basis. The Company, based on recent transactions, believes there is an active market for its video subscriber assets. The Company believes it can sell these assets, under certain circumstances, at prices at or above their current carrying value. However, there is no guarantee these sales will ultimately be favorable to the Company.
3. Solicit additional equity investment in the Company by either issuing preferred or common stock.
4. Continue to market Multiband services and acquire additional multi-dwelling unit customers.

5. Control capital expenditures by contracting Multiband services and equipment through a landlord-owned equipment program.
6. Delivery of video services to residents of single family homes. Effective March 1, 2008, the Company purchased 51% of the outstanding stock of Michigan Microtech, Inc. (MMT), formerly a wholly owned subsidiary of DirecTECH Holding Company Inc. (DTHC) (see Note 4 and Note 13). MMT installs DirecTV video services in single family homes. Historically MMT has been profitable. The Company anticipates that by combining MMT operations with Multiband operations that it will achieve a beneficial impact to its consolidated cash flows and operating results. However, there is no guarantee that these combined results will ultimately be favorable to the Company.
7. Expansion of call center support via sales of call center services to both existing and future system operators and to buyers of the Company's video subscribers.

MULTIBAND CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2008 AND 2007

Principles of Consolidation

The consolidated financial statements include the accounts of Multiband Corporation (MB) and its wholly owned subsidiaries, Minnesota Digital Universe, Inc. (MDU), Rainbow Satellite Group, LLC (Rainbow), Multiband Subscriber Services, Inc. (MBSS), and Multiband USA, Inc. (MBUSA). Effective March 1, 2008, the Company acquired 51% of the outstanding shares of Michigan Microtech, Inc. (MMT) (see Note 4). The minority interest on the consolidated balance sheet and statement of operations represents DTHC's 49% ownership of MMT. The consolidated financial statements include the accounts of MMT. All significant intercompany transactions and balances have been eliminated in consolidation.

whether the debt securities will be issued in certificated or book-entry form and, if the latter, the securities depository;

whether the debt securities will be issued in denominations other than \$1,000 and any integral multiple of \$1,000;

the applicability of the defeasance and covenant defeasance provisions of the applicable base indenture;

the guarantor, if any, who will guarantee the debt securities and the methods for determining, and releasing, such guarantor, if any;

the trustee for that series of debt securities, if other than U.S. Bank National Association; and

any other terms of the debt securities consistent with the provisions of the applicable base indenture.

Debt securities may be issued as original issue discount securities to be offered and sold at a substantial discount from their stated principal amount. Special U.S. federal income tax, accounting and other considerations applicable to original issue discount securities will be described in the applicable prospectus supplement.

Unless otherwise provided with respect to a series of debt securities, the debt securities will be issued only in registered form, without coupons, in denominations of \$1,000 and integral multiples of \$1,000.

Certificated Debt Securities

Except as otherwise provided in the applicable prospectus supplement, debt securities will not be issued in certificated form. If, however, debt securities are to be issued in certificated form, no service charge will be made for any transfer or exchange of any of those debt securities, but the issuer may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

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Book-Entry Debt Securities

The debt securities of a series may be issued in whole or in part in the form of one or more fully registered global securities that will be deposited with the depository identified in the applicable prospectus supplement, which will keep a computerized record of its participants (for example, brokers) whose clients have purchased the debt securities. Each participant will then keep a record of its clients who purchased the debt securities. Unless a global security is exchanged in whole or in part for debt securities in certificated form, it may not be transferred. However, transfers of the whole security between the depository for that global security and its nominees or their respective successors are permitted.

Unless otherwise provided in the applicable prospectus supplement, The Depository Trust Company, New York, New York ("DTC") will act as depository for each series of global securities, and DTC will register the global securities in the name of its nominee, Cede & Co. Beneficial interests in global securities will be shown on, and transfers of global securities will be effected only through, records maintained by DTC and its participants.

DTC has provided the following information to us. DTC, the world's largest securities depository, is a:

limited purpose trust company organized under the New York Banking Law;

"banking organization" within the meaning of the New York Banking Law;

member of the Federal Reserve System;

"clearing corporation" within the meaning of the New York Uniform Commercial Code; and

"clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that its direct participants deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. DTC has a Standard & Poor's rating of AA+. The rules applicable to DTC and its direct and indirect participants are on file with the SEC.

Principal and interest payments on global securities registered in the name of DTC's nominee will be made in immediately available funds to DTC's nominee as the registered owner of the global securities. The issuer and the trustee will treat DTC's nominee as the owner of the global securities for all other purposes as well. Accordingly, the issuer, the trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global securities to owners of beneficial interests in the global securities. DTC's practice is to credit direct participants' accounts upon receipt of any payment of principal or interest on the payment date in accordance with their respective holdings of beneficial interests in the global securities as shown on DTC's records. Payments by direct and indirect participants to owners of beneficial interests in the global securities will be governed by standing instructions and customary practices. These payments will be the responsibility of the direct and

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indirect participants and not of DTC, the trustee or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time.

Debt securities represented by a global security will be exchangeable for debt securities in definitive form of like amount and terms in authorized denominations only if:

DTC notifies us that it is unwilling or unable to continue as depositary;

DTC ceases to be a registered clearing agency and a successor depositary is not appointed by us within 120 days; or

we determine not to require all of the debt securities of a series to be represented by a global security and notify the applicable trustee of our decision.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Merger Covenant

Pursuant to the terms of each indenture, Ventas, Inc. may not, directly or indirectly: (1) consolidate or merge with or into another person or entity, or (2) sell, assign, transfer, convey, lease (other than to an unaffiliated operator in the ordinary course of business) or otherwise dispose of all or substantially all of the properties or assets of Ventas, Inc. and its subsidiaries taken as a whole, in one or more related transactions, to another person or entity, unless:

either (a) Ventas, Inc. is the surviving corporation or (b) the person or entity formed by or surviving any such consolidation or merger (if other than Ventas, Inc.) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

the person or entity formed by or surviving any such consolidation or merger (if other than Ventas, Inc.) or the person or entity to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all of Ventas, Inc.'s obligations under the applicable debt securities and the applicable indenture pursuant to agreements reasonably satisfactory to the trustee; and

immediately after such transaction, on a pro forma basis giving effect to such transaction or series of transactions (and treating any obligation of Ventas, Inc. or any subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred at the time of such transaction), no default or event of default exists under the applicable indenture.

Upon any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the properties or assets of Ventas, Inc. in accordance with the foregoing provisions, the successor person or entity formed by such consolidation or into which Ventas, Inc. is merged or to which such sale, assignment, transfer, conveyance, lease or other disposition is made, will succeed to, and be substituted for, and may exercise every right and power of, Ventas, Inc. under the applicable indenture with the same effect as if such successor initially had been named as Ventas, Inc. therein. When a successor assumes all the obligations of its predecessor under the applicable indenture and the applicable debt securities following a consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the assets of the predecessor in accordance with the foregoing provisions, the predecessor will be released from those obligations.

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Events of Default, Notice and Waiver

Each indenture provides that the following are events of default with respect to any series of debt securities issued thereunder, unless the applicable prospectus supplement states otherwise:

default by Ventas, Inc. or its subsidiaries for 30 days in the payment of any interest on any debt security of that series;

default by Ventas, Inc. or its subsidiaries in the payment of the principal or premium, if any, on any debt security of that series when due and payable;

default by Ventas, Inc. or its subsidiaries in the making of any sinking fund payment required for any debt security of that series when due;

breach by Ventas, Inc. or its subsidiaries of any other term of that indenture for 60 days after receipt of notice of default stating they are in breach (either the applicable trustee or the holders of more than 25% in aggregate principal amount of the applicable debt securities of that series then outstanding may send the notice);

default under any other indebtedness of Ventas, Inc. or its subsidiaries in an aggregate principal amount exceeding \$100.0 million after any applicable grace period, which default results in the acceleration of the maturity of such indebtedness and where that indebtedness is not discharged or that acceleration is not rescinded or annulled within ten days after receipt of written notice specifying the default (either the applicable trustee or the holders of more than 25% in aggregate principal amount of the applicable debt securities of that series then outstanding may send the notice);

certain events of bankruptcy, insolvency or reorganization of Ventas, Inc. or its significant subsidiaries;

the cessation of any guarantee of the debt securities of that series to be in full force and effect or the disaffirmance or denial by any guarantor of its obligations with respect to any guarantee of the debt securities; and

any other event of default provided with respect to the debt securities of that series and described in the applicable prospectus supplement.

The applicable trustee will be required to give notice to the holders of the applicable debt securities within 90 days after a default under the applicable indenture unless the default has been cured or waived. The applicable trustee may withhold notice to the holders of the applicable debt securities of any default, except a default in the payment of the principal of, premium or additional amounts, if any, or interest on the applicable debt securities, if specified responsible officers of the applicable trustee in good faith determine that withholding the notice is in the interest of the holders.

If an event of default with respect to the applicable debt securities has occurred and has not been cured, either the applicable trustee or the holders of at least 25% in principal amount of the applicable debt securities then outstanding may declare the entire principal amount of the applicable debt securities to be due and immediately payable by written notice to Ventas, Inc., the issuer and the applicable trustee. If an event of default occurs because of certain events in bankruptcy, insolvency or reorganization, the principal amount of all outstanding debt securities will be automatically accelerated, without any action by the applicable trustee or any holder. At any time after the applicable trustee or the holders have accelerated the applicable debt securities, but before a judgment or decree for payment of the money due has been obtained, the holders of at least a majority in principal amount of the applicable debt securities then outstanding may, under certain circumstances, rescind and annul such acceleration.

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Holders of a majority in principal amount of outstanding debt securities of any series may, subject to some limitations, waive any past default with respect to that series and the consequences of the default (including without limitation waivers obtained in connection with the purchase of, or tender offer or exchange offer for, such debt securities). The prospectus supplement relating to any series of debt securities that are original issue discount securities will describe the particular provisions relating to acceleration of a portion of the principal amount of those original issue discount securities upon the occurrence and continuation of an event of default.

Except in cases of default, where a trustee has some special duties, the applicable trustee is not required to take any action under the applicable indenture at the request of any holders of applicable debt securities unless such holders offer the applicable trustee satisfactory protection from expenses and liability. We refer to this as an "indemnity." If reasonable indemnity is provided, the holders of a majority in principal amount of the applicable debt securities then outstanding may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the applicable trustee. These majority holders may also direct the applicable trustee in performing any other action under the applicable indenture, subject to certain limitations.

Before a holder bypasses the applicable trustee and brings its own lawsuit or other formal legal action or takes other steps to enforce its rights or protect its interests relating to the applicable debt securities, the following must occur:

- (1) *The holder must give the applicable trustee written notice that an event of default with respect to the applicable debt securities has occurred and remains uncured;*
- (2) *The holders of at least a majority in principal amount of all applicable debt securities outstanding must make a written request that the applicable trustee take action because of the default, and must offer reasonable indemnity to the applicable trustee against the cost and other liabilities of taking that action;*
- (3) *The applicable trustee must have not taken action for 60 days after receipt of the notice and offer of indemnity; and*
- (4) *The holders of at least a majority in principal amount of all applicable debt securities outstanding must not have given the applicable trustee a direction inconsistent with such request within such 60-day period.*

However, a holder is entitled at any time to bring a lawsuit for the payment of money due on any debt security after its due date.

Within 120 days after the end of each fiscal year, Ventas, Inc. and the guarantor, if any, will furnish to the applicable trustee a written statement by certain of Ventas, Inc.'s officers certifying that, to their knowledge, Ventas, Inc. is in compliance with the applicable indenture and the applicable debt securities, or otherwise specifying any default.

Modification of the Indentures

Except as provided in the next two succeeding paragraphs, each indenture and/or the applicable debt securities may be amended or supplemented with the written consent of the holders of at least a majority in principal amount of the debt securities then outstanding issued under the applicable indenture affected by such amendment or supplement, voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such debt securities), and any existing default, event of default (other than a default or event of default with respect to the payment of the principal of, or premium or additional amounts, if any, or interest on, the applicable debt securities, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the applicable indenture or the applicable debt

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securities may be waived with the consent of the holders of a majority in principal amount of the debt securities then outstanding issued under the applicable indenture affected thereby, voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the applicable debt securities).

Without the consent of each holder affected, an amendment or waiver may not (with respect to any debt securities held by a non-consenting holder):

reduce the principal amount of debt securities whose holders must consent to an amendment, supplement or waiver;

reduce the principal of or change the fixed maturity of any debt security or alter the provisions with respect to the redemption of such debt security;

reduce the rate of or change the time for payment of interest on any debt security, the payment of any sinking fund or analogous obligation, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity of such security;

reduce the amount of principal of an original issue discount security that would be due and payable upon declaration of acceleration of its maturity;

waive a default or event of default in the payment of principal of, or interest or premium, or additional amounts, if any, on the debt securities (except a rescission of acceleration of the debt securities by the holders of at least a majority in aggregate principal amount of the debt securities then outstanding affected thereby and a waiver of the payment default that resulted from such acceleration);

make a debt security payable in a currency other than the currency stated in that debt security;

make any change in the provisions of the applicable indenture relating to waivers of past defaults or the rights of holders of debt securities to receive payments of principal of, or interest or premium, or additional amounts, if any, on the debt securities;

release any guarantor from any of its obligations under its guarantee of the debt securities or under the applicable indenture except in accordance with the terms of that indenture;

impair the rights of holders of the debt securities to convert their securities, if convertible, upon the terms established pursuant to or in accordance with the provisions of the applicable indenture; or

make any change in the amendment and waiver provisions set forth above.

Any such consent need only approve the substance, rather than the particular form, of the proposed amendment.

Notwithstanding the preceding, without the consent of any holder of debt securities, the indentures and the applicable debt securities issued thereunder may be amended or supplemented to:

cure any ambiguity, defect or inconsistency;

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provide for uncertificated debt securities in addition to or in place of certificated debt securities;

provide for the assumption of the obligations of the issuer to holders of debt securities in the case of a merger or consolidation or sale of all or substantially all of the assets of the issuer;

add additional guarantees with respect to the applicable debt securities;

secure the applicable debt securities;

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evidence the succession of another entity to Ventas, Inc. and the assumption by the successor of the covenants of Ventas, Inc. contained in the applicable indenture;

add any additional events of default for the benefit of the holders of all or any series of debt securities (and if such events of default are to be for the benefit of less than all series of debt securities, stating that such events of default are expressly being included solely for the benefit of the debt securities of that series);

change or eliminate any of the provisions of an indenture, provided that any such change or elimination will become effective only when there is no debt security outstanding of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision;

establish the form or terms of debt securities of any series as permitted by the applicable indenture, including the provisions and procedures relating to debt securities convertible into Ventas, Inc. common stock;

evidence and provide for the acceptance of appointment by a successor trustee with respect to the debt securities of one or more series and to add to or change any of the provisions of the applicable indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one trustee;

supplement any of the provisions of the applicable indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of debt securities pursuant to the applicable indenture, provided that any such action will not adversely affect the interests of the holders of debt securities of that series or any other series of debt securities in any material respect;

make any other change that would provide any additional rights or benefits to the holders of debt securities or that does not adversely affect the legal rights under the applicable indenture of any such holder; or

comply with requirements of the SEC in order to effect or maintain the qualification of the applicable indenture under the Trust Indenture Act.

Defeasance and Covenant Defeasance

When the issuer establishes a series of debt securities, it may provide that the debt securities of that series are subject to the defeasance and discharge provisions of the applicable indenture. If those provisions are made applicable, the issuer may elect either:

to defease and, together with the guarantor (if any), be legally released from, subject to some limitations, all of their respective obligations with respect to the debt securities of that series; or

to be released from the obligations to comply with specified covenants and eliminate certain events of default relating to the debt securities of that series as described in the applicable prospectus supplement.

To effect defeasance or covenant defeasance, the issuer must irrevocably deposit in trust with the applicable trustee an amount in any combination of funds or government obligations, which, through the payment of principal and interest in accordance with their terms, will provide money sufficient to make payments on the debt securities of that series and any mandatory sinking fund or analogous payments on the debt securities of that series.

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Upon such defeasance, the issuer will not be released from obligations:

to pay additional amounts, if any, on the debt securities of that series upon the occurrence of some events;

to register the transfer or exchange of the debt securities of that series;

to replace some of the debt securities of that series;

to maintain an office relating to the debt securities of that series; or

to hold moneys for payment in trust.

To establish such a trust, the issuer must, among other things, deliver to the applicable trustee an opinion of counsel to the effect that the holders of the debt securities of that series:

will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance or covenant defeasance; and

will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred. In the case of defeasance, the opinion of counsel must be based upon a ruling of the Internal Revenue Service or a change in applicable U.S. federal income tax law occurring after the date of the applicable indenture.

Government obligations generally mean securities which are:

direct obligations of the U.S. or of the government that issued the foreign currency in which the applicable debt securities are payable, in each case, where the issuer has pledged its full faith and credit to pay the obligations; or

obligations of an agency or instrumentality of the U.S. or of the government that issued the foreign currency in which the applicable debt securities are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the U.S. or that other government.

In any case, the issuer of government obligations cannot have the option to call or redeem the obligations. In addition, government obligations include, subject to certain qualifications, a depository receipt issued by a bank or trust company as custodian with respect to any government obligation or a specific payment of interest on or principal of any such government obligation held by the custodian for the account of a depository receipt holder.

If the issuer effects covenant defeasance with respect to the debt securities of any series, the amount on deposit with the applicable trustee will be sufficient to pay amounts due on the debt securities of that series at the time of their stated maturity. However, the debt securities of that series may become due and payable prior to their stated maturity if there is an event of default with respect to a covenant from which the issuer has not been released. In that event, the amount on deposit may not be sufficient to pay all amounts due on the debt securities of that series at the time of the acceleration and the holders of those debt securities will be required to look to the issuer and the guarantor, if any, for repayment of any shortfall.

The applicable prospectus supplement may further describe the provisions, if any, permitting defeasance or covenant defeasance, including any modifications to the provisions described above.

Ranking

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Each series of senior debt securities will constitute senior indebtedness and will rank equally with each other series of senior debt securities and other senior indebtedness and senior to all subordinated indebtedness, including, but not limited to, all subordinated debt securities. Each series of subordinated debt securities will constitute subordinated indebtedness and will rank equally with each other series of subordinated debt securities but subordinate to all senior indebtedness.

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Payments on the subordinated debt securities will be subordinated to the senior indebtedness of the issuer and the guarantor, if any, described under "Guarantees" below, whether outstanding on the date of the subordinated indenture or incurred after that date. At December 31, 2014, we had \$10.9 billion of outstanding senior indebtedness (excluding unamortized fair value adjustment and unamortized discounts). The prospectus supplement relating to each issuance of subordinated debt securities will specify the aggregate amount of our outstanding indebtedness as of the most recent practicable date that would rank senior to the subordinated debt securities.

If any of the following events occur, the holders of senior indebtedness must receive payment of the full amount due on the senior indebtedness, or that payment must be duly provided for, before the issuer may make payments on the subordinated debt securities:

any distribution of our assets upon our liquidation, reorganization or other similar transaction except for a distribution in connection with a merger or other transaction complying with the covenant described above under " Merger Covenant";

the occurrence and continuation of a payment default on any senior indebtedness; or

a declaration of the principal of any series of subordinated debt securities, or, in the case of original issue discount securities, the portion of the principal amount specified under their terms, as due and payable, that has not been rescinded and annulled.

However, if the event is the acceleration of any series of subordinated debt securities, only the holders of senior indebtedness outstanding at the time of the acceleration of those subordinated debt securities, or, in the case of original issue discount securities, that portion of the principal amount specified under their terms, must receive payment of the full amount due on that senior indebtedness, or such payment must be duly provided for, before the issuer makes payments on the subordinated debt securities.

As a result of the subordination provisions, some of our general creditors, including holders of senior indebtedness, may recover more, ratably, than the holders of the subordinated debt securities in the event of insolvency.

For purposes of the subordinated indenture, "senior indebtedness" of the issuer and any guarantor means the following indebtedness and obligations:

the principal of and premium, if any, and unpaid interest on indebtedness for money borrowed;

purchase money and similar obligations;

obligations under capital leases;

guarantees, assumptions or purchase commitments relating to, or other transactions as a result of which the issuer or the guarantor, if any, are responsible for the payment of, the indebtedness of others;

renewals, extensions and refundings of the foregoing indebtedness;

interest or obligations in respect of the foregoing indebtedness accruing after the commencement of any insolvency or bankruptcy proceedings; and

obligations associated with derivative products.

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However, indebtedness and obligations do not constitute senior indebtedness if the instrument by which the issuer or the guarantor becomes obligated for that indebtedness or those obligations expressly provides that indebtedness or those obligations are junior in right of payment to any other indebtedness or obligations of the issuer or the guarantor, as applicable.

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Convertible Debt Securities

Unless otherwise provided in the applicable prospectus supplement, the following provisions will apply to debt securities of Ventas, Inc. that will be convertible into shares of Ventas, Inc. common stock.

Each holder of unredeemed convertible debt securities may, at any time during the period specified in the applicable prospectus supplement, convert those convertible debt securities into shares of Ventas, Inc. common stock. The conversion price or rate for each \$1,000 principal amount of convertible debt securities will be specified in the applicable prospectus supplement. The holder of a convertible debt security may convert only a portion of the convertible debt security that is \$1,000 principal amount or any integral multiple of \$1,000. In the case of convertible debt securities called for redemption, conversion rights will expire at the close of business on the date fixed for the redemption. However, in the case of repayment at the option of the applicable holder, conversion rights will terminate upon receipt of written notice of the holder's exercise of that option.

The conversion price or rate may be subject to adjustment in certain events, as specified in the applicable indenture, including:

the issuance of shares of Ventas, Inc. common stock as a dividend on the common stock;

subdivisions and combinations of Ventas, Inc. common stock;

the issuance to all holders of Ventas, Inc. common stock of rights or warrants entitling such holders for a period not exceeding 45 days to subscribe for or purchase shares of common stock at a price per share less than its then current per share market price; and

the distribution to all holders of Ventas, Inc. common stock of:

- (1) *shares of Ventas, Inc. capital stock, other than common stock;*
- (2) *evidence of Ventas, Inc. indebtedness or assets excluding cash dividends or distributions paid from its retained earnings; or*
- (3) *subscription rights or warrants other than those referred to above.*

However, Ventas, Inc. will not be required to make any adjustment of the conversion price or rate of less than 1%. Fractional shares of common stock will not be issued upon conversion. In lieu of fractional shares, Ventas, Inc. will pay a cash adjustment. Unless otherwise specified in the applicable prospectus supplement, debt securities surrendered for conversion between any record date for an interest payment and the related interest payment date must be accompanied by payment of an amount in cash equal to the interest payment on the surrendered debt security. However, that payment does not have to accompany debt securities surrendered for conversion if those debt securities have been called for redemption during that period. Furthermore, upon conversion of any original issue discount security, the fixed number of shares of common stock into which such original issue discount security is convertible will first be applied to the portion attributable to the accrued original issue discount relating to the period from the date of issuance to the date of conversion of the original issue discount security, and, second, to the portion attributable to the balance of the principal amount of such debt securities.

Guarantees

If the applicable prospectus supplement relating to a series of debt securities provides that those debt securities will have the benefit of a guarantee by Ventas, Inc. or Ventas Realty, then the debt securities will be fully and unconditionally guaranteed by Ventas, Inc. or Ventas Realty, as applicable. In the event of a bankruptcy, liquidation or reorganization of any of the non-guarantor subsidiaries of the issuer, the non-guarantor subsidiaries will pay the holders of their debt and their trade creditors

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before they will be able to distribute any of their assets to the issuer. The guarantees will be general obligations of each guarantor. If a series of debt securities is so guaranteed, a supplemental indenture to the applicable base indenture will be executed by each guarantor. Ventas, Inc. is the guarantor under the indentures governing all of Ventas Realty's existing senior notes, including those co-issued with Ventas Capital Corporation ("Ventas Capital"). Ventas Capital is a wholly-owned subsidiary of Ventas Realty organized under the laws of the State of Delaware for the purpose of serving as co-issuer with Ventas Realty of certain previously issued debt securities. Ventas Capital has no assets or operations and will not be a co-issuer to any debt securities that may be offered pursuant to this prospectus and any applicable prospectus supplement.

The obligations of each guarantor under its guarantee will be limited as necessary to prevent that guarantee from constituting a fraudulent conveyance under applicable law. A guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge into another company, other than an issuer or another guarantor, unless the person acquiring the property in any such sale or disposition or the person formed by or surviving any such consolidation or merger assumes all of the obligations of that guarantor pursuant to a supplemental indenture satisfactory to the applicable trustee, and only if immediately after giving effect to the transaction, no default or event of default would exist. The terms of any guarantee and the conditions upon which a guarantor may be released from its obligations under that guarantee will be set forth in the applicable prospectus supplement.

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PLAN OF DISTRIBUTION

We may sell the offered securities in and outside the United States (1) through underwriters or dealers, (2) directly to purchasers, including to a limited number of institutional purchasers, to a single purchaser or to our affiliates and stockholders, (3) through agents or (4) through a combination of any of these methods. The prospectus supplement relating to any offering will set forth the following information:

the terms of the offering;

the names of any underwriters, dealers or agents;

the name or names of any managing underwriter or underwriters;

the purchase price or initial public offering price of the securities;

the net proceeds from the sale of the securities;

any delayed delivery arrangements;

any underwriting discounts, commissions and other items constituting underwriters' compensation;

any discounts or concessions allowed or reallocated or paid to dealers; and

any commissions paid to agents.

Sale through Underwriters or Dealers

If any securities are offered through underwriters, the underwriters will acquire the securities for their own account and may resell them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may offer and sell securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless otherwise provided in the applicable prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of the offered securities if they purchase any of them. In connection with the sale of securities, underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions and dealers may receive compensation from the underwriters in the form of discounts or concessions. The underwriters may change from time to time any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

In order to facilitate the offering of securities, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the securities. Specifically, the underwriters may overallocate in connection with the offering, creating a short position in the securities for their account. In addition, to cover overallocations or to stabilize the price of the securities, the underwriters may bid for, and purchase, securities in the open market. Finally, an underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions, or otherwise. Any of these activities may stabilize or maintain the market price of the offered securities above independent market levels. The underwriters are not required to engage in these activities and may discontinue any of these activities at any time.

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Some or all of the securities that we offer through this prospectus may be new issues of securities with no established trading market. Any underwriters to whom we sell securities for public offering and sale may make a market in those securities, but they will not be obligated to do so and they may

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discontinue any market making at any time without notice. Accordingly, we cannot assure you of the liquidity of, or continued trading markets for, any securities offered pursuant to this prospectus.

If any securities are offered through dealers, we will sell the securities to them as principals. They may then resell those securities to the public at varying prices determined by the dealers at the time of resale.

Direct Sales and Sales through Agents

We may sell the securities directly to purchasers. If the securities are sold directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities, we will describe the terms of any such sales in the applicable prospectus supplement. We may also sell the securities through agents designated from time to time. Sales may be made by means of ordinary brokers' transactions on the New York Stock Exchange at market prices, in block transactions and such other transactions as agreed by us and any agent. In the applicable prospectus supplement, we will name any agent involved in the offer or sale of the offered securities and we will describe any commissions payable to the agent. Unless otherwise provided in the applicable prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

Remarketing Arrangements

Offered securities may also be offered and sold, if we so indicate in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more remarketing firms, acting as principals for their own accounts or as our agents. Any remarketing firm will be identified and the terms of its agreements, if any, with us and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters of the offered securities under the Securities Act.

Delayed Delivery Contracts

If we so indicate in the applicable prospectus supplement, we may authorize agents, underwriters or dealers to solicit offers by certain institutions to purchase securities from us pursuant to contracts providing for payment and delivery on a specified future date. The applicable prospectus supplement will describe the conditions to those contracts and the commission payable for solicitation of those contracts.

General Information

We may have agreements with the agents, dealers, underwriters and remarketing firms to indemnify them against certain civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments that the agents, dealers or underwriters may be required to make. Agents, dealers, underwriters and remarketing firms may be customers of, engage in transactions with or perform services for us in the ordinary course of their businesses.

VALIDITY OF THE OFFERED SECURITIES

Sidley Austin LLP, New York, New York, will issue an opinion for Ventas, Inc. and Ventas Realty regarding the legality of certain of the offered securities. In addition, the description of U.S. federal income tax consequences contained in our Annual Report on Form 10-K for the year ended December 31, 2014 under the caption "Item 1. Business Certain U.S. Federal Income Tax Considerations" and incorporated by reference herein is based on the opinion of Sidley Austin LLP. Any underwriters will be advised about other issues relating to any offering by their own legal counsel.

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EXPERTS

Ventas

Our consolidated financial statements and schedules as of December 31, 2014 and 2013 and for each of the years in the three-year period ended December 31, 2014 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2014 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

HCT

The combined statement of revenue and certain expenses of HCT's portfolio for the year ended December 31, 2014 has been incorporated by reference herein in reliance upon the report of KPMG LLP, independent auditor, incorporated by reference elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy the reports, proxy statements and other information that we file with the SEC at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the SEC's public reference room, including copy charges. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding us. Ventas, Inc. common stock is traded on the New York Stock Exchange under the symbol "VTR." Reports and information that we file with the SEC can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Information about us is also available on our website at www.ventasreit.com. Information on our website is not incorporated by reference herein and our web address is included in this prospectus as an inactive textual reference only.

We are incorporating by reference in this prospectus the information we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We are incorporating by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus until all of the securities offered by this prospectus are sold:

our Annual Report on Form 10-K for the year ended December 31, 2014;

our Current Reports on Form 8-K or Form 8-K/A filed on January 6, 2015, January 7, 2015 (two filings), January 12, 2015, January 14, 2015, January 20, 2015 (as amended by Amendment No. 1 thereto filed on February 26, 2015) and February 13, 2015 (however, we do not incorporate by reference any information under Item 2.02, Results of Operations and Financial Condition);

our Proxy Statement for our 2014 Annual Meeting of Stockholders, filed with the SEC on April 4, 2014; and

the description of our common stock set forth in our Registration Statement on Form 8-A (File No. 001-10989) filed with the SEC on January 23, 1992, as amended.

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You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Ventas, Inc.
Attention: Corporate Secretary
353 North Clark Street, Suite 3300
Chicago, Illinois 60654
(877) 483-6827

No separate financial statements of Ventas Realty have been included herein. It is not expected that Ventas Realty will file reports, proxy statements or other information under the Exchange Act with the SEC.

We have not authorized anyone to give any information or make any representation about us that is different from, or in addition to, that contained in this prospectus or in any of the materials that have been incorporated by reference into this prospectus. Therefore, if anyone gives you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus does not extend to you. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies.

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\$450,000,000

Ventas Realty, Limited Partnership

3.250% Senior Notes due 2026

PROSPECTUS SUPPLEMENT

September 14, 2016

Joint Book-Running Managers

Citigroup

Barclays

**Credit Agricole
CIB**

**Credit
Suisse**

Senior Co-Managers

BofA Merrill Lynch

Goldman, Sachs & Co.

MUFG

Morgan Stanley

PNC Capital Markets LLC

**RBC Capital Markets
Co-Managers**

TD Securities

Wells Fargo Securities

BB&T Capital Markets

**BBVA
Junior Co-Managers**

SMBC Nikko

Capital One Securities

Fifth Third Securities

BNP PARIBAS

The Williams Capital Group, L.P.
