

MAGICJACK SMB, Inc.
Supplemental Information
Docket No. TC17-012

MAGICJACK SMB, Inc. submits the following additional supplemental financial information in response to requests of Commissioner Fiegen during the May 9, 2017 Commission meeting:

Attached is selected financial information from the 2016 SEC Form 10-K filed by MAGICJACK SMB's parent company magicJack VocalTec Ltd. ("VocalTec"). This filing shows that in 2016 VocalTec had net income of \$5.69 Million, cash and cash equivalents of more than \$52 Million and total assets of more than \$174 Million. As the parent of MAGICJACK SMB, VocalTec has sufficient resources to finance the start up phase of MAGICJACK SMB's operations. As with most startup companies, MAGICJACK SMB's expenses significantly exceeded revenues during the first year of operations, resulting in negative net income during 2016. VocalTec's financial resources are available to cover those operating losses as MAGICJACK SMB continues to grow its customer base and revenues.