

NextWave Wireless Inc.
Form PRE 14A
August 04, 2010

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

SCHEDULE 14A

(Rule 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☐ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to Sec. 240.14a-12

NEXTWAVE WIRELESS INC.
(Name of Registrant as Specified in Its
Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☐ No fee required.
☒ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies: Common Stock

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

\$111,600,000 (aggregate cash to be received by wholly-owned subsidiary of registrant)

4) Proposed maximum aggregate value of transaction: \$111,600,000

5) Total fee paid: \$7,958

“ Fee paid previously with preliminary materials.

“Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

12264 El Camino Real, Suite 305
San Diego, CA 92130

PROXY STATEMENT

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held _____, 2010

To our stockholders:

You are cordially invited to attend a special meeting of stockholders of NextWave Wireless Inc. (“NextWave” or the “Company”) to be held on _____, 2010 at 8:00 a.m. local time at the Company’s offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

At the special meeting we will ask you to consider and to vote upon the following matters:

1. To consider and vote upon a proposal to adopt and approve the stock purchase agreement dated July 30, 2010, by and among the Company, NextWave Broadband Inc., a wholly-owned subsidiary of the Company (“NextWave Broadband”), PacketVideo Corporation, a majority-owned subsidiary of NextWave Broadband (“PacketVideo”), and NTT DOCOMO, INC. (“DOCOMO”), and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO for \$111.6 million.
2. To consider and vote upon any proposal to adjourn, postpone or continue the special meeting to a later date to enable the Company to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby at the special meeting; and
3. To transact such other business as may properly come before the special meeting or any adjournments, postponements or continuations thereof.

In connection with the exercise by DOCOMO of its call option to purchase all of the shares of PacketVideo stock owned by NextWave Broadband, and after careful consideration, our Board of Directors determined that the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote “FOR” the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Our Board of Directors considered a number of factors in evaluating the sale, in consultation with our legal and financial advisors.

Your vote is very important. Adoption and approval of the stock purchase agreement and the authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby requires the affirmative vote of the holders of a

majority of our common stock outstanding and entitled to vote at the special meeting.

Our Board of Directors has fixed the close of business on _____, 2010 as the record date for the determination of the holders of our common stock, par value \$0.007 per share, entitled to notice of, and to vote at, the special meeting. At the close of business on _____, 2010, there were _____ shares of our common stock outstanding and entitled to vote. Whether or not you plan to attend the special meeting, it is important that your

shares, regardless of the number, be represented. Stockholders of record may vote their shares via a toll-free telephone number, over the Internet or by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card. If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures. Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. Failure to submit a signed proxy or to vote in person at the special meeting will have the same effect as a vote "AGAINST" the adoption and approval of the stock purchase agreement and authorization of the sale of PacketVideo shares to DOCOMO contemplated thereby.

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Stockholders to Be Held on _____, 2010. In accordance with new rules and regulations adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a notice of special meeting and proxy card, and by notifying you of the availability of our proxy materials on the Internet. The notice of special meeting, proxy statement and proxy card are available on the Internet at <http://www.proxyvote.com>, using the 12-digit control number printed on your proxy card, and may also be requested by calling toll-free at 800-579-1639 or by e-mailing at sendmaterial@proxyvote.com.

The enclosed proxy statement explains the proposed sale, the stock purchase agreement and the transactions contemplated by the stock purchase agreement and provides specific information concerning the special meeting. Please read the entire proxy statement carefully. This proxy statement is dated _____, 2010, and this proxy statement and accompanying form of proxy are first being sent to holders of our common stock on or about _____, 2010.

By Order of the Board of Directors

FRANK A. CASSOU
Chief Legal Counsel and Secretary
San Diego, California

, 2010

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE TRANSACTIONS DESCRIBED IN THIS PROXY STATEMENT, PASSED UPON THE MERITS OR FAIRNESS OF SUCH TRANSACTIONS, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IMPORTANT

Your vote is important. Stockholders of record may vote their shares via a toll-free telephone number, over the Internet or by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card. If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures. Voting your shares by one of these three methods will ensure that your shares are represented at the meeting.

If you need assistance in voting your shares, please call the firm assisting us in the distribution and tabulation of proxies for the special meeting:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

ADDITIONAL INFORMATION

This document incorporates important business and financial information about us from documents that are not included in or delivered with this document. See “Where You Can Find More Information” on page 42. You can obtain documents incorporated by reference in this document from us by requesting them in writing at 12264 El Camino Real, Suite 305, San Diego, California 92130, Attn: Secretary, or by calling 858-731-5300. You will not be charged for any of these documents that you request. If you wish to request documents, you should do so by _____, 2010 in order to receive them before the special meeting.

If you require assistance in submitting proxies or voting shares of our common stock, or if you would like to receive additional copies of the proxy statement or the enclosed proxy card, please contact Broadridge Financial Services:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

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SUMMARY TERM SHEET

This summary term sheet highlights selected information from this proxy statement with respect to the stock purchase agreement and the sale of the PacketVideo shares to DOCOMO contemplated thereby and may not contain all of the information that is important to you. To understand the sale fully and for a more complete description of the terms of the sale, you should read this entire proxy statement carefully, including the annexes, and the documents we refer to or incorporate by reference herein. We encourage you to read each of these documents, in particular the stock purchase agreement attached as Annex A hereto.

Except as otherwise specifically noted in this proxy statement, “sale” refers to the sale by NextWave Broadband of PacketVideo shares to DOCOMO contemplated by the stock purchase agreement, and “transactions” refers to the transactions contemplated by the stock purchase agreement, including the sale by NextWave Broadband of PacketVideo shares to DOCOMO. References to the Company, NextWave, us, our and we all refer to NextWave Wireless Inc.

The Sale (page 16)

On July 30, 2010, the Company, NextWave Broadband and PacketVideo entered into a stock purchase agreement with DOCOMO pursuant to which the Company and NextWave Broadband agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo held by NextWave Broadband, representing approximately 65% of the issued and outstanding common stock of PacketVideo, for an aggregate purchase price of \$111.6 million. We expect to receive approximately \$107.5 million of net proceeds from the sale, after deduction of estimated expenses for the transaction, of which we expect to apply approximately \$95 million to retire principal of and accrued interest on our Senior Secured First Lien Notes due 2011, or “First Lien Notes,” pursuant to our secured note agreements, and we expect to retain approximately \$12.5 million to fund our working capital needs.

DOCOMO acquired 35% of the issued and outstanding common stock of PacketVideo in July 2009. In connection with the July 2009 transaction, the Company, NextWave Broadband, PacketVideo and DOCOMO entered into a Stockholders’ Agreement dated July 2, 2009, pursuant to which DOCOMO was granted a call option exercisable under certain conditions to purchase all (but not less than all) of the remaining shares of common stock of PacketVideo owned by NextWave Broadband. In November 2009, PacketVideo achieved the milestone which triggered DOCOMO’s right to exercise the option and, on June 28, 2010, after the completion and finalization of an independent valuation of the PacketVideo shares owned by NextWave Broadband, DOCOMO confirmed in writing to the Company and NextWave Broadband that DOCOMO still intended to exercise the call option and acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband in accordance with the procedures set forth in the stockholders’ agreement. The current transaction pursuant to the stock purchase agreement represents DOCOMO’s exercise of the call option.

Under the terms of the stock purchase agreement, the Company and NextWave Broadband have agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo held by NextWave Broadband, for an aggregate purchase price of \$111.6 million, which was established pursuant to valuation procedures set forth in the stockholders’ agreement.

Information About the Parties to the Transaction (page 15)

NextWave Wireless Inc. We are a holding company for mobile multimedia businesses and a significant wireless spectrum portfolio. Our mobile multimedia business segment consists of PacketVideo, our majority-owned subsidiary. As a result of the sale of our remaining interest in PacketVideo, our continuing operations would be focused solely on the management, operation, marketing and selling of our wireless spectrum interests. We will

continue to manage and operate and pursue the sale of our wireless spectrum holdings over time to repay our significant secured indebtedness.

The Company is a Delaware corporation. Our principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and our telephone number is 858-731-5300.

PacketVideo Corporation. Founded in 1998, PacketVideo develops, produces and markets advanced mobile multimedia and consumer electronic connectivity product solutions, including embedded software for mobile handsets, client-server platforms for mobile media applications such as music, photos, video and software for

sharing media in the connected home. PacketVideo supplies multimedia software and services to many of the world's largest network operators and wireless handset manufacturers which, in turn, use PacketVideo's platform to offer music and video services on mobile handsets, generally under their own brands. To date, over 350 million PacketVideo-powered handsets have been shipped worldwide. PacketVideo has been contracted by some of the world's largest carriers, such as Orange, DOCOMO, Rogers Wireless, TeliaSonera, TELUS Mobility and Verizon Wireless, to design and implement the embedded multimedia software capabilities contained in their handsets. PacketVideo's software is compatible with virtually all network technologies, including CDMA, GSM, WiMAX, LTE and WCDMA. As a result of the sale, PacketVideo would become a wholly-owned subsidiary of DOCOMO.

PacketVideo is a Delaware corporation. DOCOMO owns 35% of PacketVideo's issued and outstanding shares of common stock, and the remainder of PacketVideo's issued and outstanding shares are currently owned by NextWave Broadband. PacketVideo's principal executive office is located at 10350 Science Center Drive, Suite 210, San Diego, California, 92121, and its telephone number is 858-731-5300.

NextWave Broadband Inc. NextWave Broadband is a wholly-owned subsidiary of NextWave and a holding company for our equity interest in PacketVideo and our wireless spectrum interests. NextWave Broadband is a Delaware corporation. Its principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and its telephone number is 858-731-5300.

NTT DOCOMO, INC. DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, or "NTT." NTT, together with its subsidiaries, including DOCOMO, constitutes one of the world's leading telecom operators and providers of advanced telecom services.

DOCOMO is a joint stock corporation incorporated and registered under Japanese Law. Its corporate head office is at Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. Its telephone number is 81-3-5156-1111.

The Special Meeting (page 12)

We are furnishing this proxy statement to our stockholders as part of the solicitation of proxies by our Board of Directors for use at the special meeting which will be held at 8:00 a.m., local time, on _____, 2010, at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Board Recommendation (pages 12 and 20)

After careful consideration, our Board of Directors determined that the stock purchase agreement, the sale and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders, and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the sale and the other transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote "FOR" the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Required Vote (page 12)

For us to complete the sale, stockholders holding at least a majority of the shares of our common stock issued and outstanding at the close of business on the record date, _____, 2010 must vote "FOR" the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Opinion of the Company's Financial Advisor (page 20)

In connection with the sale, on July 28, 2010, the Company's financial advisor, Moelis & Company, which we refer to in this proxy statement as "Moelis," rendered its oral opinion to our Board of Directors, which opinion was subsequently confirmed in writing, that, as of such date, and based upon and subject to the conditions and limitations set forth in the written opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

The full text of Moelis' written opinion, dated July 28, 2010, which sets forth the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Moelis in connection with its fairness opinion, is attached to this proxy statement as Annex B and is incorporated into this proxy statement by reference.

We encourage you to read Moelis' opinion and the section "The Sale—Opinion of the Company's Financial Advisor" beginning on page 20, carefully and in their entirety. Moelis' opinion is limited solely to the fairness to NextWave Broadband and the Company of the consideration to be paid from a financial point of view as of the date of the fairness opinion and does not address the underlying business decision to effect the sale or the relative merits of the sale as compared to any alternative business strategies or transactions that might be available to us, NextWave Broadband or PacketVideo. Moelis' opinion does not constitute a recommendation to any stockholder of PacketVideo (including NextWave Broadband), NextWave Broadband (including us) or the Company as to how such stockholder should vote with respect to the sale or whether NextWave Broadband should sell shares in the sale or any other matter.

Reasons for the Sale (page 18)

In making its recommendation that you vote "FOR" the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby, our Board of Directors considered a number of factors, including the financial performance of and prospects for PacketVideo's multimedia business; the resources required to fund the further development and growth of PacketVideo's business; the current and future competitive environment for PacketVideo's multimedia business and related risks associated with its business; the process and procedures set forth in the stockholders' agreement to determine and agree upon the fair market value of the PacketVideo shares held by NextWave Broadband; our global restructuring initiative which was commenced in 2008; the amount of our current cash reserves and cash generated from operations and our significant outstanding secured indebtedness; the amount of the consideration to be paid in connection with the sale which will be used to pay down a portion of the First Lien Notes and provide us with working capital; the maturity dates of our outstanding indebtedness and the interest accruals on such indebtedness prior to the respective maturity dates; the value of our spectrum assets and cash required to continue to manage and operate our spectrum assets; the market for and recent market developments with respect to our spectrum assets; the challenging public market to raise necessary capital to further develop our multimedia business; the contractual obligations set forth in the stockholders' agreement with DOCOMO and DOCOMO's right to exercise its option to acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband; limitations on our ability to sell the shares of PacketVideo owned by NextWave Broadband to a third party set forth in the stockholders' agreement; and the written opinion received from our financial advisor that, subject to the conditions and limitations set forth in the opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

In the course of deliberations, our Board of Directors also considered a variety of risks and potentially negative factors, including the risks and contingencies related to the announcement and pendency of the sale, including the impact of the sale on our relationships with third parties; the loss of future revenue as a result of the sale of our multimedia business; the effect the sale will have on the value of our stock; the possibility that the sale might not be consummated and we will have expended extensive resources and time during the pendency of the transaction; and the fact that after the sale our business will consist solely of our wireless spectrum interests.

NextWave After the Sale (page 24)

We anticipate that the management, operation, marketing and selling of our portfolio of licensed wireless spectrum assets will, following the closing of the sale, make up the entirety of our business, which we refer to as our "Strategic Initiatives" business. Our total domestic spectrum holdings consist of approximately ten billion MHz POPs (the term "MHz-POPs" is defined as the product derived from multiplying the number of megahertz associated with a license by the population of the license's service area), covering approximately 215.9 million total POPs, with 106.9 million POPs covered by 20 MHz or more of spectrum, and an additional 90.6 million POPs covered by at least 10 MHz of spectrum. In addition, a number of markets, including much of the New York City metropolitan region, are covered by 30 MHz or more of spectrum. Our domestic spectrum resides in the 2.3 GHz Wireless Communication Services, 2.5 GHz Broadband Radio Service/Educational Broadband Service and 1.7/2.1 GHz Advanced Wireless Service or

“AWS.” Our domestic spectrum resides in the 2.3 GHz WCS, 2.5 GHz BRS/ EBS and 1.7/2.1 GHz AWS bands and offers propagation and other characteristics suitable to support high-capacity, mobile broadband services. Our international spectrum held for continuing operations include 2.3 GHz licenses in Canada, covering 15 million POPs. Following the sale, we will continue to manage and operate and pursue the sale and license of our wireless spectrum holdings over time to repay our significant secured indebtedness. In order to retire our debt, we will need to successfully monetize a substantial portion of our wireless spectrum assets for net proceeds substantially in excess of our cost basis. There is no guarantee that we will be able to successfully

monetize our wireless spectrum assets or successfully retire our outstanding indebtedness.

Interests of Certain Persons in the Sale (page 25)

When considering the recommendation of our Board of Directors with respect to the adoption and approval of the stock purchase agreement and the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, you should be aware that some of our directors and executive officers have interests in the sale that may be different from, and in addition to, the interests of our stockholders generally. Approximately \$95 million of the net proceeds from the sale will be used to retire a portion of principal and interest on our First Lien Notes, with priority given to holders other than those affiliated with Avenue Capital Group and Solus Core Opportunities Master Fund Ltd., or “Solus.” As of July 3, 2010, funds managed by Avenue Capital Group held approximately \$116.8 million in principal amount of the First Lien Notes, representing approximately 55.5% of such indebtedness. Robert Symington, a portfolio manager with Avenue Capital Group, is a member of our Board of Directors. As a result of the transactions contemplated by the stock purchase agreement, the Company anticipates that affiliates of Avenue Capital Group will receive approximately \$30.5 million in redemption of the senior secured notes held by them pursuant to the terms of our secured note agreements. In addition, Navation, Inc., an affiliate of Allen Salmasi, our Chairman and a member of the Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Subordinated Secured Convertible Notes, or “Third Lien Notes,” representing approximately 14.1% of such indebtedness as of July 3, 2010, and Douglas Manchester, a member of our Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Notes, representing approximately 14.1% of such indebtedness as of July 3, 2010. The holders of the Third Lien Notes will not receive any proceeds as a result of the stock purchase agreement but will receive an indirect benefit as a result of the reduction in our senior secured debt that is senior to the Third Lien Notes. As of July 30, 2010, our directors and executive officers as a group were the beneficial owners of 26.9% of our outstanding common stock, Navation, Inc. was the beneficial owner of 13.5% of our outstanding common stock, and affiliates of Avenue Capital Group were the beneficial owners of 34.8% of our outstanding common stock.

In connection with the signing of the stock purchase agreement, we have established cash retention bonuses for certain officers and employees of PacketVideo in the aggregate amount of \$2 million. The cash retention bonuses are anticipated to be paid in connection with the closing of the sale, subject to such persons’ continued employment with PacketVideo. Dr. James Brailean, who also served as the Company’s Chief Executive Officer, Chief Operating Officer and President and a member of our Board of Directors prior to July 30, 2010, the date of signing of the stock purchase agreement, would be eligible to receive a cash retention bonus of \$280,000 at closing.

In addition, DOCOMO and PacketVideo have agreed that promptly after the closing of the sale (but no later than six months after such closing), PacketVideo will diligently prepare proposed forms of written agreements, amendments, plans, policies and other documents as may be necessary to (i) implement 2010 merit increases for PacketVideo’s senior executives, (ii) establish a cash bonus program, (iii) amend PacketVideo’s 2009 Equity Incentive Plan, (iv) establish a severance pay program for PacketVideo’s senior executives, (v) establish long-term incentive and retention bonus programs, (vi) adopt policies pertaining to DOCOMO’s rules and procedures for internal reporting and consultation, and (vii) enter into a management agreement with DOCOMO, in each case as contemplated by and containing the applicable terms and conditions set forth in that certain term sheet dated July 30, 2010 and entitled “PacketVideo Proposed Management and Employee Retention Plan,” as executed by DOCOMO and PacketVideo. The agreements, amendments, plans, policies and documents to be prepared by PacketVideo will be subject to the review and approval of DOCOMO.

Our Board of Directors was aware of these interests during its deliberations on the merits of the sale and in deciding to recommend that you vote for the adoption and approval of the stock purchase agreement and the authorization of the sale at the special meeting. Dr. Brailean recused himself from such discussions and the decision of our Board of

Directors because of his interest in the sale and submitted his resignations from our Board of Directors and from his position as our Chief Executive Officer, Chief Operating Officer and President in connection with the signing of the stock purchase agreement on July 30, 2010. Dr. Brailean continues to serve as the President and Chief Executive Officer and as a member of the Board of Directors of PacketVideo following his resignations.

Certain United States Federal Income Tax Consequences to the Company (page 26)

The sale of the PacketVideo shares to DOCOMO likely will not result in any material United States federal or California state corporate income tax liability (including any alternative minimum tax liability) to the Company because we anticipate using our net operating losses to offset any taxable gain from the sale of the PacketVideo shares to DOCOMO.

The Stock Purchase Agreement (page 27)

The rights and obligations of the parties to the stock purchase agreement are governed by the specific terms and conditions of the stock purchase agreement and not by any summary or other information set forth in this proxy statement. Therefore, the information in this proxy statement regarding the stock purchase agreement and the sale of the PacketVideo shares to DOCOMO contemplated thereby is qualified in its entirety by reference to the stock purchase agreement, a copy of which is attached as Annex A to this proxy statement.

Conditions to the Sale (page 31)

A number of conditions must be satisfied or waived before the sale can be completed, including, without limitation, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the “HSR Act,” receipt of the required stockholder approval and the required consents of third parties. We cannot offer any assurance that all of the conditions will be satisfied or waived or that the sale of the PacketVideo shares to DOCOMO will occur.

Termination of Stock Purchase Agreement; Termination Fee (page 33)

The stock purchase agreement may be terminated by either the Company or DOCOMO under certain circumstances, including the failure of the transaction to close by September 28, 2010 (unless the party seeking termination is responsible for any such delay and unless certain other circumstances set forth in the stock purchase agreement exist) and failure to obtain the required stockholder approval at a duly convened meeting of our stockholders.

If either the Company or DOCOMO terminates the stock purchase agreement due to failure to obtain the required stockholder approval at a duly convened meeting of our stockholders, the Company and NextWave Broadband shall be required to pay DOCOMO up to \$700,000 in cash as reimbursement for its expenses in connection with the transactions.

Use of Proceeds (page 35)

We plan to receive approximately \$107.5 million of net proceeds from the sale, after deduction of estimated expenses for the transaction, of which we expect to apply approximately \$95 million to retire principal and accrued interest of our First Lien Notes pursuant to our secured note agreements, and we expect to retain approximately \$12.5 million to fund our working capital needs.

After we apply the proceeds from the sale to retire approximately \$95 million of our First Lien Notes, we anticipate that at September 30, 2010 approximately \$117 million of principal owed under the First Lien Notes will remain outstanding and be due and payable in July 2011. In addition, we anticipate that at September 30, 2010, approximately \$161 million of principal under our Senior Subordinated Secured Second Lien Notes, or “Second Lien Notes,” that mature in November 2011 and approximately \$582 million of principal owed under our Third Lien Notes

that mature in December 2011 will remain outstanding, together with accrued interest on such notes.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements based on estimates and assumptions reflecting management's current expectations. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "believes," "estimates," "anticipates," "continues," "predict," "potential," "contemplates," "expects," "may," "will," "likely," "could," "should" or "would" or other similar words or phrases intended to identify forward-looking statements. These statements are subject to risks, uncertainties, and other factors, including, among others:

- the effect of the announcement of the sale on our business relationships, operating results and business generally;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the stock purchase agreement;
- the outcome of any legal proceedings that may be instituted against us, DOCOMO or others related to the stock purchase agreement;
- the failure to obtain the required stockholder approval, to satisfy other conditions to the completion of the sale, or to obtain regulatory approvals required for the sale on the terms expected or on the anticipated schedule;
- the amount of the costs, fees, expenses and charges related to the sale; and
- our and DOCOMO's ability to meet expectations regarding the timing and completion of the sale.

We discuss some of the above risks in greater detail in this proxy statement in the section "Special Risk Considerations Regarding the Proposal to Adopt the Stock Purchase Agreement." In addition, we are subject to risks and uncertainties and other factors detailed in our filings with the Securities and Exchange Commission, or "SEC," including our annual report on Form 10-K for the fiscal year ended January 2, 2010 and our quarterly report on Form 10-Q for the fiscal quarter ended April 3, 2010 and in subsequent filings with the SEC, which should be read in conjunction with this proxy statement. See "Where You Can Find More Information" on page 42. Many of the factors that will impact the completion of the proposed sale are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained in this proxy statement, readers should not place undue reliance on forward-looking statements. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made in this proxy statement remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements, except as required by law.

QUESTIONS AND ANSWERS ABOUT THE SALE AND THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the sale and the special meeting. These questions and answers may not address all questions that may be important to you as a NextWave stockholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to in this proxy statement, which you should read carefully.

Q: Why am I receiving this proxy statement?

A: We entered into a stock purchase agreement dated July 30, 2010, with PacketVideo, NextWave Broadband and DOCOMO. Upon completion of the sale contemplated by the stock purchase agreement, PacketVideo will become a wholly-owned subsidiary of DOCOMO. A copy of the stock purchase agreement is attached to this proxy statement as Annex A.

To consummate the sale, the stock purchase agreement must be adopted and approved and the sale of the PacketVideo shares to DOCOMO contemplated by the stock purchase agreement must be authorized by the affirmative vote of the holders of a majority of the shares of our common stock outstanding at the close of business on the record date. Our Board of Directors is providing this proxy statement to give you information for use in determining how to vote on the proposals submitted to the stockholders at the special meeting. You should carefully read this proxy statement, the attached annexes and the documents referred to in, or incorporated by reference into, this proxy statement. The enclosed proxy card and voting instructions allow you, as a stockholder, to vote your shares without attending the special meeting in person.

Q: What is the date, time and place of the special meeting?

A: The special meeting of stockholders of the Company will be held at 8:00 a.m., local time, on , 2010, at the Company's corporate headquarters located at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Q: What matters am I being asked to vote on at the special meeting?

A: You are being asked to vote on the following proposals:

- Adoption and approval of the stock purchase agreement and authorization of the transactions contemplated thereby, including the sale by NextWave Broadband of all the shares of common stock of PacketVideo owned by it to DOCOMO;
- Consideration of any proposal to adjourn, postpone or continue the special meeting to a later date to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO; and
- Consideration and action upon any other business that may properly come before the special meeting or any adjournments, postponements or continuations thereof. The Company does not currently expect any other business to come before the meeting.

Q: How many shares must be present or represented at the special meeting in order to conduct business?

A: A quorum of stockholders is necessary to hold a valid special meeting. A quorum is present at the special meeting if a majority of the shares of our common stock entitled to vote on the record date are present in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present.

Q: Who is entitled to vote at the special meeting?

A: Only stockholders of record as of the close of business on _____, 2010 are entitled to receive notice of the special meeting and to vote their shares of our common stock that they held at that time at the special meeting, or at any adjournments or postponements of the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date.

As of the record date, _____ shares of our common stock were outstanding and entitled to vote at the special meeting.

Q: What vote of our stockholders is required to approve the proposals?

A: The voting requirements to approve the proposals are as follows:

- Adoption and approval of the stock purchase agreement and authorization of the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO requires the affirmative vote of holders of the majority of the Company's shares of common stock outstanding and entitled to vote at the special meeting; and
- Any proposal to adjourn or postpone the special meeting requires the affirmative vote of a majority of the Company's shares represented in person or by proxy and entitled to vote, excluding abstentions.

Q: How does our Board of Directors recommend I vote?

A: Our Board of Directors unanimously recommends that our stockholders vote "FOR" the approval and adoption of the stock purchase agreement and the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO. You should read "The Sale—Reasons for the Sale," beginning on page 18, for a discussion of the factors that our Board of Directors considered in deciding to recommend the approval and adoption of the stock purchase agreement and the authorization of the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO.

Q: What factors did our Board of Directors consider in making its recommendation regarding the stock purchase agreement and the sale?

A: In making its recommendation that you vote "FOR" the proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, our Board of Directors considered a number of factors, including the financial performance of and prospects for PacketVideo's multimedia business; the resources required to fund the further development and growth of PacketVideo's business; the current and future competitive environment for PacketVideo's multimedia business and related risks associated with its business; the process and procedures set forth in the stockholders' agreement to determine and agree upon the fair market value of the PacketVideo shares held by NextWave Broadband; our global restructuring initiative, which was commenced in 2008; the amount of our current cash reserves and cash generated from operations and our significant outstanding secured indebtedness; the amount of the consideration to be paid in connection with the sale which will be used to pay down a portion of the First Lien Notes and provide us with working capital; the maturity dates of our outstanding indebtedness and the interest accruals on such indebtedness prior to the respective maturity dates; the value of our spectrum assets and cash required to continue to manage and operate our spectrum assets; the market for and recent market developments with respect to our spectrum assets; the challenging public market to raise necessary capital to further develop our multimedia business; the contractual obligations set forth in the stockholders' agreement with DOCOMO and DOCOMO's right to exercise its option to acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband; limitations on our ability to sell the shares of PacketVideo owned by NextWave Broadband to a third party set forth in the stockholders' agreement; and the opinion received from our financial advisor (the full text of which is attached as Annex B to this proxy statement) that, subject to the conditions and limitations set forth in the written opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

Q: How are votes counted?

A: For the proposal relating to the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby, you may vote "FOR," "AGAINST" or "ABSTAIN." Abstentions will not count as votes cast on the proposal relating to adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to

DOCOMO contemplated thereby but will count for the purpose of determining whether a quorum is present. As a result, if you “ABSTAIN,” it has the same effect as if you vote “AGAINST” the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby with respect to the majority of outstanding shares voting requirement. If you sign and return your proxy and do not indicate how you want to vote, your proxy will be voted “FOR” the proposal to adopt the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. If your shares are held in “street name” by your broker, follow the instructions from your broker on how to vote your shares.

Q: What do I need to do now? How do I vote?

A: We urge you to read this proxy statement carefully, including its annexes, and to consider how the sale of the PacketVideo shares to DOCOMO affects you. Then you can vote by telephone, using the toll-free telephone number shown on your proxy card; via the Internet, by visiting the Internet website indicated on your proxy card and following the on-screen instructions; or by mail, by completing, signing, dating and returning your proxy card in the enclosed envelope. You can also attend the special meeting and vote in person. See the question below “May I vote in person?”

If your shares of our common stock are held in “street name” by your broker, be sure to give your broker instructions on how you want to vote your shares because your broker will not be able to vote on the sale proposal without instructions from you. See the question below “If my broker holds my shares in ‘street name,’ will my broker vote my shares for me?”

Q: Why is it important for me to vote?

A: Your vote is important. The failure to return your proxy card or vote in person at the special meeting will mean that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as voting “AGAINST” the proposal to adopt and approve the stock purchase agreement and authorize the sale contemplated thereby.

Q: If my broker holds my shares in “street name,” will my broker vote my shares for me?

A: Your broker will not be able to vote your shares with regard to the adoption and approval of the stock purchase agreement and the authorization of the sale contemplated thereby without instructions from you but may be able to vote with respect to any other proposals that may properly come before the special meeting. You should instruct your broker to vote your shares, following the procedures provided by your broker. Without instructions, your shares will be considered present at the special meeting for purposes of determining a quorum but will have the same effect as being voted “AGAINST” the adoption and approval of the stock purchase agreement and the authorization of the sale contemplated thereby.

Q: May I vote in person?

A: Yes. If your shares are held directly in your name and not in “street name” through a broker, you may attend the special meeting and vote your shares in person. If your shares are held in “street name,” you must get a proxy card from your broker in order to attend the special meeting and vote in person.

We urge you to complete, sign, date and return the enclosed proxy card (or vote by telephone or Internet) as soon as possible, even if you plan to attend the special meeting, as it is important that your shares be represented and voted at the special meeting. If you attend the special meeting in person, you may vote by written ballot as you wish, even though you have previously returned your proxy card. See the question below “May I change my vote after I have

mailed my signed proxy card?”

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before the shares of our common stock reflected on your proxy card are voted at the special meeting. If your shares are registered in your name, you can do this in one of three ways:

- you can deliver to our Secretary, at our address set forth herein, a written notice stating that you would like to revoke your proxy (the written notice must bear a date later than the proxy card and be received before the taking of the vote at the special meeting);

- you can complete, execute and deliver to our Secretary a new, later-dated proxy card (either in writing, by telephone or via the Internet) for the same shares, provided the new proxy card is received before the taking of the vote at the special meeting; or
- you can attend the special meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions. You cannot vote shares held in “street name” by returning a proxy card directly to us or by voting in person at the special meeting unless you obtain a proxy card from your broker.

Q: Who will bear the cost of this solicitation?

A: We will bear the expense of soliciting proxies for the special meeting. We have retained Broadridge Financial Services, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$25,000 plus expenses. In addition, we may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies also may be solicited by certain of our directors, officers and employees, personally or by telephone, facsimile or other means of communication, but no additional compensation will be paid for such services. For a description of the costs and expenses to us of soliciting proxies, see “The Special Meeting—Solicitation Costs” below.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: What happens if I sell my shares of NextWave common stock before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting. If you transfer your shares of our common stock after the close of business on the record date but before the special meeting, you will retain your right to vote at the special meeting.

Q: How will DOCOMO finance the sale?

A: DOCOMO has indicated that it will have sufficient cash on hand to complete the transactions contemplated by the stock purchase agreement. The sale is not conditioned upon DOCOMO obtaining financing from any outside sources.

Q: When do you expect the sale to be completed?

A: We are working toward completing the sale as quickly as possible, but we cannot predict the exact timing. We expect to complete the sale by the end of the third quarter of this year. In addition to obtaining stockholder approval and obtaining required third party consents, we must satisfy all other closing conditions set forth in the stock purchase agreement, including the expiration or termination of the waiting period under the HSR Act.

Q: Should I send in my stock certificates?

A: No. The number of shares of stock that you own will not be affected by the sale of the PacketVideo Shares to DOCOMO and you should not send in certificates in response to the sale.

Q: How does the sale impact my ownership of stock of the Company?

A: The sale will have no impact on any stockholder's ownership of stock of the Company.

Q: Will we continue to operate as a public reporting company?

A: Yes. Following the sale of the PacketVideo Shares to DOCOMO, we will focus solely on the operation and management of our wireless spectrum interests and will continue operating as a public reporting company. Following the sale, we will continue to manage and operate our wireless spectrum assets and pursue the sale of our wireless spectrum holdings over time to repay our significant secured indebtedness.

Q: How will I know if the Company's stockholders have adopted and approved the stock purchase agreement and authorized the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO?

A: We will issue a press release regarding the outcome of the stockholder vote at the special meeting. We will also file a Current Report on Form 8-K with the SEC disclosing the results of the vote.

Q: What plans does the Company have if the stock purchase agreement is not approved?

A: If the stock purchase agreement is not approved, we will continue to hold our multimedia business and PacketVideo will continue to be a majority-owned subsidiary of ours. We may pursue alternative transactions regarding the sale of our equity interest in PacketVideo. We will also continue to manage and operate our wireless spectrum assets and pursue the sale and license of our wireless spectrum holdings over time to repay our significant secured indebtedness.

Q: What happens to DOCOMO's call option under the stockholders' agreement if the stock purchase agreement is terminated?

A: If the stock purchase agreement is terminated, the Company believes DOCOMO's call option under the stockholders' agreement with the Company and NextWave Broadband will terminate. Nevertheless, the stockholders' agreement previously entered into by the parties will remain in effect. The stockholders' agreement provides DOCOMO with, among other things, a right of first negotiation and first refusal applicable to a sale of the PacketVideo shares owned by NextWave Broadband, a drag-along right in the event a third party proposes to acquire all our PacketVideo shares, and preemptive rights to acquire DOCOMO's pro rata portion of any new securities issued by PacketVideo, in each case as further described in the stockholders' agreement. Also pursuant to the stockholders' agreement, PacketVideo and NextWave Broadband would retain a right of first refusal in the event a third party proposes to acquire any of the PacketVideo shares owned by DOCOMO.

Q: Where can I learn more about DOCOMO?

A: Information about DOCOMO is available for free from its website at www.nttdocomo.com or from its public filings with the SEC at www.sec.gov.

Q: Who can help answer my questions?

A: If you have any questions about the sale, including the procedures for voting your shares, or if you need additional copies of this proxy statement or the enclosed proxy card (which will be provided without charge) you should contact Broadridge Financial Services as follows:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

THE SPECIAL MEETING

Date, Time and Place

We are furnishing this proxy statement to our stockholders as part of the solicitation on behalf of our Board of Directors of proxies to be voted at the special meeting of stockholders or any postponement or adjournment of that meeting. The special meeting will be held on , 2010, at 8:00 a.m. local time at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Matters to be Considered

At the special meeting, we will ask holders of our common stock (a) to consider and vote on a proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO, (b) to consider and vote on any proposal to adjourn, postpone or continue the special meeting to a later date to enable the Company to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby and (c) to act upon any other business that may properly come before the special meeting or any adjournments, postponements or continuations thereof. Our Board of Directors does not know of any matters to be brought before the meeting other than as set forth in the notice of meeting. If any other matters properly come before the meeting, the persons named in the enclosed form of proxy card or their substitutes will vote in accordance with their best judgment on such matters.

Recommendation of NextWave's Board of Directors

In connection with the exercise by DOCOMO of its call option to purchase all of the shares of common stock of PacketVideo owned by NextWave Broadband, and after careful consideration, our Board of Directors determined that the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the sale and the other transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote "FOR" the adoption and approval of the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO.

Record Date and Quorum

Our Board of Directors has fixed the close of business on , 2010, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the special meeting. The only outstanding class of our stock is our common stock, par value \$0.007 per share.

A quorum must be present to transact business at the special meeting. A quorum will be present at the special meeting if a majority of all shares of our common stock issued and outstanding on the record date and entitled to vote at the special meeting are represented at the special meeting in person or by a properly executed proxy. If you submit a properly executed proxy card, even if you abstain from voting or vote against the adoption of the stock purchase agreement, your shares will be counted for purposes of calculating whether a quorum is present at the special meeting. As of the record date, shares of our common stock were outstanding and entitled to vote.

If a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to enable the Company solicit additional proxies. If a new record date is set for the adjourned meeting, however, a new

quorum would have to be established at the adjourned meeting.

Required Votes

Adoption and approval of the stock purchase agreement and the sale of PacketVideo shares contemplated thereby require the affirmative vote of holders of the majority of shares of our common stock outstanding and entitled to vote at the special meeting.

Any proposal to adjourn or postpone the special meeting to permit further solicitation of proxies requires the affirmative vote of a majority of the shares represented at the meeting in person or by proxy, entitled to vote on the matter and actually voted in favor of adjournment or postponement.

Effect of Abstentions and Broker Non-Votes

If you are the beneficial owner of shares held for you by a broker, your broker must vote those shares in accordance with your instructions. If you do not give voting instructions to your broker, the shares will be treated as “broker non-votes.”

For purposes of the special meeting, abstentions and broker non-votes will be included in the number of shares present for purposes of constituting a quorum, assuming such broker has submitted a proxy or attends the annual meeting. Abstentions and broker non-votes will have the same effect as votes “AGAINST” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. Abstentions and broker non-votes will have no effect on the outcome of any proposal to adjourn or postpone the special meeting.

Voting Procedure

There are a number ways to vote our common stock at the special meeting:

- You can vote by telephone, using the toll-free telephone number shown on your proxy card; via the Internet, by visiting the Internet website indicated on your proxy card and following the on-screen instructions; or by mail, by completing, signing, dating and returning your proxy card in the enclosed envelope. If you submit a proxy card, the “proxy” (i.e., one of the individuals named on the proxy card) will vote the holder’s shares as the holder instructs on the proxy card. If a holder signs and returns the proxy card but does not give instructions on how to vote the shares, the shares will be voted as recommended by our Board of Directors, “FOR” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby, and in the discretion of the proxy on any other matter properly brought before the special meeting; or
- You can attend the special meeting and vote in person. We will give each stockholder a ballot when he or she arrives at the special meeting. Stockholders who are beneficial owners of shares held in “street name” by a broker, trustee or bank or other nominee holder on behalf of such stockholder may vote in person at the meeting by obtaining a proxy from the nominee holding the shares.

If you vote by proxy, voting instructions (including instructions for both telephonic and Internet proxies) are provided on the proxy card. The Internet and telephone proxy procedures are designed to authenticate stockholder identities, to allow stockholders to give voting instructions and to confirm that stockholders’ instructions have been recorded properly. A control number, located on the proxy card, will identify stockholders and allow them to submit their proxies and confirm that their voting instructions have been properly recorded. Costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, must be borne by the stockholder. If you submit your proxy by Internet or telephone, it will not be necessary to return your proxy card.

If you do not return a signed proxy card or submit a proxy by the Internet or by telephone, and do not attend the meeting and vote in person, your shares will not be voted. Shares of our common stock represented by properly executed proxy cards that are received by us and are not revoked will be voted at the meeting in accordance with the instructions contained therein. If instructions are not given, such proxies will be voted “FOR” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. In addition, we reserve the right to exercise discretionary authority to vote proxies, in the manner determined by the Company in its sole discretion, on any matters brought before the special meeting of stockholders for which we did not receive adequate notice under the proxy rules promulgated by the SEC.

If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures.

Revocation of Proxy

You may revoke your proxy prior to its exercise. You may do this by (a) delivering to our Secretary, at our address set forth herein, a written notice stating that you would like to revoke your proxy (the written notice must bear a date later than the proxy card and be received before the taking of the vote at the special meeting); (b) completing, executing and delivering a new, later-dated proxy card (either in writing, by telephone or via the Internet) for the same shares, provided the new proxy card is received before the taking of the vote at the special meeting; or (c) attending the special meeting and voting in person. Your attendance at the meeting alone will not revoke your proxy.

Proxy Solicitation

We will pay the expenses of soliciting proxies for the special meeting, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to stockholders. Copies of our proxy statement and related materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of common stock beneficially owned by others to forward to such beneficial owners. Although there is no formal agreement to do so, we may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding this proxy statement to stockholders whose common stock is held of record by such entities. In addition, we have retained Broadridge Financial Services, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of \$25,000 plus expenses. Solicitation of proxies by mail may be supplemented by means of personal calls upon, or telephonic or electronic communications with, stockholders or their personal representatives by our directors, officers and employees, who will not be specially compensated for such services.

Householding

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies. To take advantage of this opportunity, we have delivered only one proxy statement to multiple stockholders who share an address, unless we have received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to any stockholder at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the proxy statement and annual report, contact Broadridge Financial Solutions, Inc. at 800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future stockholder communications for your household, please contact Broadridge at the above phone number or address.

THE PARTIES TO THE STOCK PURCHASE AGREEMENT

NextWave Wireless Inc. We are a holding company for mobile multimedia businesses and a significant wireless spectrum portfolio. Our mobile multimedia business segment consists of PacketVideo, our majority-owned subsidiary. As a result of the sale of our remaining interest in PacketVideo, our continuing operations would be focused solely on the management, operation, marketing and selling of our wireless spectrum interests. We will continue to manage and operate and pursue the sale of our wireless spectrum holdings over time to repay our significant secured indebtedness.

The Company is a Delaware corporation. Our principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and our telephone number is 858-731-5300.

PacketVideo Corporation. Founded in 1998, PacketVideo develops, produces and markets advanced mobile multimedia and consumer electronic connectivity product solutions, including embedded software for mobile handsets, client-server platforms for mobile media applications such as music, photos, video and software for sharing media in the connected home. PacketVideo supplies multimedia software and services to many of the world's largest network operators and wireless handset manufacturers which, in turn, use PacketVideo's platform to offer music and video services on mobile handsets, generally under their own brands. To date, over 350 million PacketVideo-powered handsets have been shipped worldwide. PacketVideo has been contracted by some of the world's largest carriers, such as Orange, DOCOMO, Rogers Wireless, TeliaSonera, TELUS Mobility and Verizon Wireless, to design and implement the embedded multimedia software capabilities contained in their handsets. PacketVideo's software is compatible with virtually all network technologies, including CDMA, GSM, WiMAX, LTE and WCDMA. As a result of the sale, PacketVideo would become a wholly-owned subsidiary of DOCOMO.

PacketVideo is a Delaware corporation. DOCOMO owns 35% of PacketVideo's issued and outstanding common stock, and the remainder of the outstanding shares are currently owned by NextWave Broadband. PacketVideo's principal executive office is located at 10350 Science Center Drive, Suite 210, San Diego, California, 92121, and its telephone number is 858-731-5300.

NextWave Broadband Inc. NextWave Broadband is a wholly-owned subsidiary of NextWave and a holding company for our equity interest in PacketVideo and our wireless spectrum interests. NextWave Broadband is a Delaware corporation. Its principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and its telephone number is 858-731-5300.

NTT DOCOMO, INC. DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, or "NTT." NTT, together with its subsidiaries, including DOCOMO, constitutes one of the world's leading telecom operators and providers of advanced telecom services.

DOCOMO is a joint stock corporation incorporated and registered under Japanese Law. Its corporate head office is at Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. Its telephone number is 81-3-5156-1111.