UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

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

Commission File No. 000-26213

ROOMLINX, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	83-0401552 (I.R.S. Employer Identification No.)

11101 W. 120th Avenue, Suite 200, Broomfield, CO 80021
(Address of principal executive offices)

(303) 544-1111
(Registrant's telephone number)

Securities registered under Section 12(b) of the Act:

None

Securities registered under Section 12(g) of the Act:

(i) Common Stock, $.001 par value per share; and (ii) Preferred Stock, $.20 par value per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 Rule12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) YES ☐ NO ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant based upon the closing sale price of the common stock on June 30, 2013, the last business day of the registrant's most recently completed second quarter, as reported on the OTC Bulletin Board, was approximately $4,163,518.

As of March 15, 2014, the registrant's issued and outstanding shares were as follows: 6,411,413 shares common stock, 720,000 shares of Class A Preferred Stock.

Documents incorporated by reference: None.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Some of the statements contained in this Annual Report on Form 10-K discuss future expectations, contain projections of results of operations or financial condition or state other "forward-looking" information. Those statements include statements regarding the intent, belief or current expectations of Roomlinx, Inc. ("we," "us," "our" or the "Company") and our management team. Any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected in the forward-looking statements. These risks and uncertainties include but are not limited to those risks and uncertainties set forth in Item 1A of this report. In light of the significant risks and uncertainties inherent in the forward-looking statements included in this report, the inclusion of such statements should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

The Company entered into an Agreement and Plan of Merger ("Merger Agreement") with Signal Point Holdings Corp. ("Signal Point") on March 14, 2014, pursuant to which a wholly-owned subsidiary of the Company will merge with and into Signal Point. In the event of the consummation of the merger and the restructuring of the Company contemplated by the Merger Agreement (including a reverse split of the Company's common stock utilizing a ratio resulting in the Company having 600,000 shares of outstanding common stock), the business operations of the Company and Signal Point will be combined, and the Company will be owned 14% by current security holders of the Company and 86% by current security holders of Signal Point. On March 17, 2014, the Company filed a Current Report on Form 8-K and a preliminary proxy statement on Schedule 14A, each of which describes the terms of the merger and the material provisions of the Merger Agreement. For a detailed summary of the merger with Signal Point, see the section of this Item 1 entitled "Recent Developments."

General

As used in this Annual Report, references to "the Company", "we", "our", "ours", and "us" refer to Roomlinx, Inc. and consolidated subsidiaries, unless otherwise indicated.

We prepare our financials in United States dollars and in accordance with generally accepted principles as applied in the United States, referred to U.S. GAAP. In this Annual Report, references to "$" and "dollars" are to United States dollars and "CDN" are to Canadian dollars.

Background

Roomlinx, Inc.

Roomlinx, Inc. was formed in 1998, is incorporated under the laws of the state of Nevada, and has its headquarters at 11101 W. 120th Avenue, Suite 200, Broomfield, CO 80021.

On October 1, 2010, Roomlinx, Inc. acquired 100% of the membership interests of Canadian Communications, LLC and its wholly owned subsidiaries, Cardinal Connect, LLC, a non-operating entity, Cardinal Broadband, LLC, and Cardinal Hospitality, Ltd, entity. The acquisition of Canadian Communications, LLC also included a 50% joint venture interest in Arista Communications, LLC; Roomlinx, Inc. has maintained this 50% joint venture interest. Cardinal Broadband operates as a division of Roomlinx.

Cardinal Broadband, a Division of Roomlinx, Inc.

Cardinal Broadband, LLC was formed in 2005 as a Colorado Limited Liability Company. Pursuant to the acquisition of Canadian Communications, LLC on October 1, 2010, Roomlinx, Inc. became the 100% member of Cardinal Broadband, LLC. Subsequent to the acquisition, Cardinal Broadband became a division of Roomlinx, Inc.

Cardinal Broadband offers residential and business customers telecommunication services including telephone, satellite television, and wired and wireless internet access. Cardinal Broadband is a Certified Local Exchange Carrier ("CLEC"), and as such has a tariff filed with the Colorado Public Utility Commission that allows it to provide traditional land line services throughout Colorado. Cardinal Broadband offers "bundled" service wherever possible, meaning that they can provide telephone, television, and internet service to the same customer, allowing a single point of contact for customer service and a single invoice for multiple services.

Arista Communications, LLC

Arista Communications, LLC is a joint venture between Cardinal Broadband and Wiens Real Estate Ventures, LLC, with each entity having a 50% membership interest.

Wiens is the developer of the Arista residential/retail/office development in Broomfield, Colorado. The joint venture was formed to provide telecommunication services to the Arista community. Arista Communications provides telephone, television, and internet connectivity to the residents and businesses of the Arista development, including the 1st Bank Center, an 8,000-seat music and sports venue. Roomlinx owns a 50% membership interest in Arista Communications through its Cardinal Broadband division. Cardinal Broadband manages the operations of Arista Communications. The financial statements of Arista Communications, LLC are consolidated with Roomlinx in accordance with ASC Topic 810, Consolidation.

Cardinal Hospitality, Ltd.

Cardinal Hospitality, Ltd. ("CHL") was formed in September of 2005, and is incorporated in British Columbia, Canada. Pursuant to the October 1, 2010 acquisition of Canadian Communications, LLC, Roomlinx, Inc. became the sole shareholder of Cardinal Hospitality, Ltd. It remains a separate and wholly owned subsidiary of Roomlinx, Inc.

CHL supplies video-on-demand services to the hospitality industry. CHL operates systems throughout Canada. CHL was formed in 2006 with the acquisition of the proprietary Video-on-Demand (VOD) technology formerly offered through GalaVu Entertainment Networks. CHL also acquired the existing contracts of GalaVu. CHL offers a full selection of video-on-demand services and technology; including first non-theatrical release Hollywood motion pictures, adult, and specialty content.

Effective December 20, 2013, Roomlinx cancelled all of CHL's customer contracts. This resulted in the presentation of discontinued operations in the consolidated statements of comprehensive loss. See note 10 to the financial statements for further discussion.

Business

The Company's primary business is focused on providing in-room media, entertainment, and HD television programming solutions along with wired networking solutions and Wireless Fidelity networking solutions, also known as Wi-Fi, for high speed internet access to hotels, resorts, and time share properties. The Company also provides both wired and wireless internet access, HD satellite television service, and telephone service both Plain Old Telephone Service ("POTS") and Voice over Internet Protocol ("VOIP"), to residential and business customers.

The Company measures its performance and recurring revenue trend based on the number of revenue generating units ("RGUs") in service. Regarding the hospitality sector, a hotel room may have one or more RGUs. An RGU is defined as a product or service for which we invoice the hotel monthly, including interactive television, video on demand, free to guest programming, and high speed internet access. Residential properties may also have more than one RGU, which includes telephone, internet and television. As of December 31, 2013, the Company was servicing approximately 64,000 RGUs within the hospitality sector, and 14 residential communities and small businesses representing an additional 2,400 RGUs.

Our Products and Services

In-room media and entertainment

Roomlinx provides a suite of in-room media and entertainment products and services for hotels, resorts, and time share properties. Products and services included within our in-room media and entertainment offering include our proprietary Interactive TV platform ("iTV") and on-demand movies.

The Company develops proprietary software and integrates hardware to facilitate the distribution of its Interactive TV platform. With Roomlinx, iTV guests will have access to a robust feature set through the HDTV such as:

- Internet Apps including Netflix, Pandora, Hulu, YouTube, Facebook, and many more
- International and U.S. television programming on demand
- Click and Go TV program guide or Interactive Program Guide ("IPG")
- Web Games
- MP3 player and thumb drive access
- Ability to send directions from the iTV system to a mobile device

Hotel guests can also easily order room service, interact with hotel associates, make restaurant reservations, edit and print documents as well as gain direct access to local dining, shopping, nightlife, cultural events or attractions all through a dynamic user interface on the TV. The Interactive TV platform integrates the TV and Internet experience.

The Company provides proprietary software, a media console and an extended USB port for the hotel guest, a proprietary wireless keyboard with built-in mouse, and a proprietary remote control with a built in mouse. The Company installs and supports these components.

The Company also supplies video-on-demand services to the hospitality industry. Roomlinx offers a full selection of video-on-demand services and technology; including first non-theatrical release Hollywood motion pictures, adult, and specialty content.

Hotel customers sign long-term service agreements, where we provide the maintenance for the networks, as well as the right to provide value added services over the network.

The Company generates revenue through:

- On-going connectivity service and support contracts
- Network design and installation services
- Delivery of content and advertising
- Delivery of business and entertainment applications
- E-commerce
- The customization of its software
- Software licensing
- Delivery of pay-per-view content
- Sale of video-on-demand systems

The following are examples of three different custom user interfaces of the Roomlinx Interactive TV platform in use today:

Free-To-Guest Television Programming ("FTG").

Our hotel satellite television programming services provide for delivery and viewing of high definition and standard definition television programming for hotels, resorts, and time share properties. The Company installs and provides services that address the entertainment and information needs of hotel guests and resort guests. We specialize in providing advanced high definition equipment for delivering digital television programming such as ESPN, HBO, Starz, and other specialty and local channels.

The Company generates revenue through:

- The design and installation of FTG systems
- Delivery of television programming fees and/or commissions

Customers typically pay a one-time fee for the installation of the equipment and then pay monthly programming fees for delivery of a specific TV channel lineup.

Wired Networking Solutions and Wireless Fidelity Networking Solutions.

We provide wired networking solutions and wireless fidelity networking solutions, also known as Wi-Fi, for high speed internet access at hotels, resorts, and timeshare locations. The Company installs and creates services that address the productivity and communications needs of hotel, resort, and timeshare guests. We specialize in providing advanced Wi-Fi wireless services such as the wireless standards known as 802.11a/b/g/n/i.

Hotel customers sign long-term service agreements, where we provide the maintenance for the networks, as well as the right to provide value added services over the network.

The Company generates revenue through:

- Ongoing connectivity service and support contracts
- Network design and installation services

Customers typically pay a one-time fee for the installation of the network and then pay monthly maintenance fees for the upkeep and support of the network.

Residential Media and Communications

We provide residential and business customers telecommunication services including telephone, satellite television, and wired and wireless internet access. Telephone service is provided through traditional, analog "twisted pair" lines, as well as digital "VoIP". Analog phone service is typically provided via an interconnection agreement with CenturyLink, Inc., which allows the Company to resell CenturyLink service through their wholesale and retail accounts with CenturyLink. VoIP service is provided at properties where the Company maintains a broadband internet service to the end customer, allowing the Company to provide digital phone service (VoIP) over the same lines as their internet service.

Television service is typically provided via the Company's agreements with DISH Network and DirecTV. Most television service is provided via a head-end distribution system, or an L-Band digital distribution system. Television service is offered in high definition whenever possible.

Internet service is provided via both wired and wireless network design. The Company provisions and manages broadband access to the residential customers through both wholesale and resale methods. Wholesale methods exist when the Company owns and controls the internet circuit and resale methods exist when the Company uses an affiliated third party to provide the internet circuit.

The Company generates revenue through:

- Network design and installation services
- Delivery of telephone service (billed monthly)
- Delivery of Internet service (billed monthly)
- Delivery of television service (billed by the satellite provider with monthly commissions paid to the Company)
- Management fees for the management of affiliated communication systems

Our Business Strategy

Our goal is to be the leading provider of all facets of in-room entertainment, programming and internet connectivity. We believe that we are developing the scale, capacity, and reach to respond to customers' needs quickly and that our product offerings differentiate us from other market participants in terms of usability, technical innovation and breadth of offerings. We believe there has been a fundamental shift in the way people communicate and from where they get their content. This shift is affecting guest habits within the hotel room. Hotel guests are getting their content from the internet or alternative mobile sources, such as laptops and smartphones. Roomlinx developed the Interactive TV platform to embrace these changing habits and allow guests easy access to their content, work, and the internet via the in-room flat panel LCD. We have seen strong usage of the Interactive TV platform at our current hotel installations and we believe there is even greater ability to monetize our Interactive TV platform as we increase hotel penetration and usage. We believe our Interactive TV platform creates a true differentiation for Roomlinx and we will continue to invest in product enhancements and Interactive TV sales and marketing efforts. These investments and enhancements will be focused on meeting the desires of hotel guests in a manner consistent with hotel needs.

To this end, our sales and product initiatives are aimed at accelerating market penetration by significantly reducing the cost of installation while still meeting the needs of hotel guests and generating an attractive gross margin. Roomlinx continues development of its iTV Mobile product and believes it is the next progression in the Roomlinx product offerings. Roomlinx iTV brings the internet, content and guest services to the hotel room TV, Roomlinx iTV Mobile expands the benefits of iTV to guests' personal devices. We believe iTV Mobile will accelerate market penetration by allowing properties to choose between full iTV integration and a more cost effective iTV mobile option.

The Company believes the benefits of iTV Mobile include:

- Low cost installation option for hotels, which allows for a disruptive business model

- Significantly lower cost for Roomlinx to service and support
- Expanded market opportunity to attract limited service hotels with a lower cost installation
- Rapid installation ensures less ‘down time’ for hotel rooms to be offline
- Opportunity to license software allowing for accelerated market penetration
- Guest will appreciate multiple options to access media and entertainment through personal devices
- Strong recurring revenue model for Roomlinx
- Provides for a new service offering and revenue stream for hotels

Our strategy is to focus our resources on delivering quality voice, video, data, media and entertainment, advertising, and E-commerce services to the hospitality industry and residential/business customers. We plan to penetrate the hotel, resort, and timeshare verticals through direct sales, channel sales agents, and acquisitions. We plan to continually develop our Interactive TV platform to meet the needs of the ever changing habits of the hotel guest.

Our objective is to increase our recurring revenues and to generate profits through the installation of our Interactive TV platform, high speed internet products, high definition television, and our video-on-demand products. Roomlinx’ goal is to be the sole source solution for in-room technology, redefining how hotel guests access content, communicate, and use business tools.

Our residential and business telecommunications division, Cardinal Broadband, will seek to continue to expand its customer base by continuing to market to its current residential properties with the aim to increase its penetration at those properties.

Our short term strategies include the following:

- ❖ We are seeking to grow the number of rooms installed with our Interactive TV platform.
- ❖ We are seeking to grow the number of RGUs under management.
- ❖ We are seeking to attain preferred vendor status or become a brand standard with additional premier hotel brands.
- ❖ We aspire to increase our advertising revenue by leveraging our portfolio of iTV installations.
- ❖ We plan to forge strong business partnerships with Fortune 500 companies that create operational efficiencies and product enhancements.
- ❖ We are seeking to leverage our core competencies by expanding the markets we serve beyond the United States, Canada, Mexico and Aruba into the Middle-East, Africa, Central America and the Caribbean.
- ❖ We anticipate expanding the IP-based services and Interactive TV platform that we offer to include:
  - Integration with new and ever increasing consumer web applications
  - Continued custom integration with the Hotel’s back office applications
  - Expanded IP-based advertising through the television and personal devices
  - Expanded IP-based E-Commerce through the television and personal devices
  - Growth in our custom software development and professional services revenues
- ❖ Through acquisition or organic growth we plan to:
  - ■ Increase our media and entertainment base of customers
  - ■ Increase our high speed Internet base of customers
  - ■ Explore leveraging our current networks for use by mobile carriers
  - ■ Offer additional synergistic technologies or services that allow us to sell more of our Interactive TV product

Our longer term strategies include the following:

- ❖ Expansion into the European and Asian hotel markets.
- ❖ Expansion into additional vertical markets, such as healthcare and high end retirement homes.

To recap we seek to deepen penetration within our installed customer base and expand the breadth of our overall customer base by distinguishing our current and future offerings with value-added solutions through increased marketing activities and continued custom, proprietary software development efforts that enhance the Interactive TV platform.

We cannot assure our investors that we will be successful in attaining these goals or that we will not pursue other strategies when opportunities arise. Capital constraints and competition, among other factors, may preclude us from attaining our goals.

Sales and Marketing

Sales

As of March 15, 2014, our sales efforts focused on strategic relationships with hardware, software, bandwidth and content providers. These strategic partners stand to benefit by increasing sales of their products and services, or strengthening existing relationships, as a result of pairing their offerings with Roomlinx offerings. The size and scope of our strategic partners increases visibility and credibility at the corporate level of our brand targets allowing for simultaneous top down and bottom up sales strategies.

Marketing

We deploy a marketing mix consisting of:

- Public Relations Programs. Communicate key initiatives, positive results, points of differentiation and promotions through press releases, industry events and key affiliations such as HTNG (Hotel Technology Next Generation) and AHLA (American Hotel and Lodging Association).
- Direct Marketing Campaigns. Including digital, print and video delivery.
- Product Development. Keeping a pulse on industry needs and wants through continual user research and development projects that result in differentiated products and services that provide financial and brand value to clients.

Operations

We have built a foundation on which to achieve quality customer service and scalability. We have achieved this by building the internal infrastructure, partnerships, and controls to scale quickly and offer quality services within the following areas: system design, system integration, system deployment, software development, project management, technical support, and on-going services.

For our high speed wired and wireless offering we act as a system designer, installer, and integrator that aggregates the products and services required to install wireless high-speed networks and deploys them through a delivery infrastructure that combines in-house technical and RF (radio frequency) experts with select system integrators in the customer’s area. After installation we seek to manage the network under a long-term contract.

For our proprietary Interactive TV platform and video-on-demand offering, we control the development of the product in-house, allowing us to have ultimate control of response time to customer requests for product customization and version updates. For installation and support we utilize both certified partners and in-house personnel. We use in-house personnel for project management and pro-active monitoring of our technical components in the field.

For our free-to-guest television programming, we design and deploy these projects using in-house personnel, as well as third party certified companies. We purchase satellite television programming then resell to our hotel customers as an integrated package with our aforementioned offerings. Ongoing service and support is provided using in-house resources and certified partners. We use in-house personnel for project management and pro-active monitoring of our technical components in the field.

For our residential telecommunications offerings, we design and deploy these projects using in-house personnel, as well as outsourcing installation labor as needed. Ongoing service and support is provided using in-house resources. Television content and bandwidth provisioning is secured through 3rd party providers.

Competition

Wired and Wireless High-Speed Internet Offering

The market for our high-speed internet (“HSIA”) services has leveled off. Our competitors may use the same products and services in competition with us. With time and capital, it would be possible for competitors to replicate our services and offer similar services at a lower price. We expect that we will compete primarily on the basis of the functionality, breadth, quality and price of our services. Our current and potential competitors include:

- Other wireless high-speed internet access providers, such as Guest-Tek, AT&T, Swisscom, and SONIFI (formerly LodgeNet)

Many of our existing and potential competitors may have greater financial, technical, marketing and distribution resources than we do. Additionally, many of these companies may have greater name recognition and more established relationships with our target customers. However, with our FTG and iTV products we are able to offer HSIA services as part of a larger bundle of value services.

Media and Entertainment

The current market conditions for Interactive TV services are evolving. The demand for internet content continues to increase. Many of our key competitors offer an interactive solution that delivers TV services via IP (Internet Protocol), interactive local information, and traditional VOD; however delivering internet content to the television continues to be a key differentiator for Roomlinx.

The market for free to guest services in the hospitality industry is strong, and we believe it will remain strong for the future due to the demand for HD content. We continue to win customers by being a single source for all of a hotel’s telecommunication needs and offering our value added iTV platform.

Key competitors include: Guestek, SONIFI, Swisscom and Quadriga.

Residential and Business Telecommunications

This market is served by multiple competitors, primarily the Incumbent Local Exchange Carriers (ILECs) (CenturyLink), the cable company (Comcast), and multiple small independent companies providing individual television, telephone, and internet services. We believe we will continue to gain customers by distinguishing ourselves from our competitors by superior service and competitive pricing. Sometimes we gain a competitive advantage because we are not an ILEC or large cable company, as many customers prefer a company who is not so large and can give customized attention to their individual needs.

Many of our existing and potential competitors may have greater financial, technical, marketing and distribution resources than we do. Additionally, many of these companies may have greater name recognition and more established relationships with our target customers.

Product Development

We seek to continually enhance the features and performance of our existing products and services. In addition, we are continuing to evaluate new products to meet our customers' expectations of ongoing innovation and enhancements.

Our ability to meet our customers' expectations depends on a number of factors, including our ability to identify and respond to emerging technological trends in our target markets, develop and maintain competitive products, enhance our existing products by adding features and functionality that differentiate them from those of our competitors and offering products on a timely basis and at competitive prices. Consequently, we have made, and we intend to continue to make, investments in product development.

Patents and Trademarks

We own the registered trademarks of "SuiteSpeed®," "SmartRoom®," and "Roomlinx®." We also have proprietary processes and other trade secrets that we utilize in our business.

Recent Developments

Merger Agreement:

On March 14, 2014, the Company entered into the Merger Agreement with Signal Point and Roomlinx Merger Corp., a Delaware corporation and wholly-owned subsidiary of the Company (the "Merger Subsidiary").

Upon the terms and subject to the conditions set forth in the Merger Agreement, the Merger Subsidiary will be merged with and into Signal Point, a provider of domestic and international telecommunications services, with Signal Point continuing as the surviving entity in the Merger as a wholly-owned subsidiary of the Company (the "Merger").

Simultaneous with the effective time of the Merger (the "Effective Time"), the Company will effect a reverse split of its common stock (the "Reverse Stock Split") utilizing a ratio resulting in the Company having 600,000 shares of common stock issued and outstanding following the Reverse Stock Split.

At the Effective Time, pursuant to the terms and subject to the conditions set forth in the Merger Agreement:

- all shares of Signal Point common stock issued and outstanding immediately prior to the Effective Time will be exchanged for an aggregate of 120,000,000 restricted shares of common stock of the Company, and the holders of Signal Point common stock immediately prior to the Effective Time will, when taken together with shares of Company common stock (i) issuable at the Effective Time to The Robert DePalo Special Opportunity Fund, LLC upon conversion of approximately $3,200,000 of indebtedness at $1.20 per share of Signal Point (or approximately 2,666,667 shares) and (ii) issuable pursuant to any equity offering consummated by any party to the Merger Agreement prior to the Effective Time, hold shares of Company common stock representing in the aggregate eighty-six percent (86%) of the outstanding shares of the Company's common stock immediately following the Effective Time;

- the shares of Signal Point's Series A Preferred Stock and Series B Preferred Stock issued and outstanding immediately prior to the Effective Time will be exchanged for shares of Series A Preferred Stock and Series B Preferred Stock, as applicable, of the Company, having substantially identical terms to Signal Point's Series A Preferred Stock and Series B Preferred Stock, except in connection with dividends payable from the revenues of Roomlinx Sub (as defined below);

- all options to purchase Signal Point common stock and restricted stock awards issued and outstanding immediately prior to the Effective Time under the current Signal Point Employee Incentive Plan will be exchanged for options and awards to purchase an identical number of shares of Company common stock on the same terms and conditions;

- each share of the Company's common stock issued and outstanding immediately prior to the Effective Time, but after giving effect to the Reverse Stock Split, will remain outstanding. Also, the holders of the Company's common stock immediately prior to the Effective Time and Cenfin, LLC, a secured lender of the Company (in exchange for its agreement at the closing of the Merger to restructure indebtedness owed to it by the Company), will receive additional (but restricted) shares of the Company's common stock at the Effective Time. Accordingly, the holders of the Company's common stock will hold shares of Company common stock which, when taken together with shares of Company common stock (i) issuable upon the exercise of Roomlinx warrants outstanding immediately prior to the Effective Time (not including out-of-the-money warrants) and (ii) to be issued to Cenfin, LLC in exchange for its agreement to restructure indebtedness owed to it by the Company, will represent in the aggregate fourteen percent (14%) of the outstanding shares of the Company's common stock immediately following the Effective Time;

- holders of the existing preferred stock of the Company will receive payments with respect to such shares, the Company's preferred stock will be cancelled and there will be no existing shares of the Company's preferred stock outstanding following the Merger, except as described above; and

- all outstanding options to purchase Company capital stock issued under the Company's Stock Option Plan will terminate in accordance with the terms thereof.

Also, at the closing of the Merger, Signal Point will make a cash contribution to the Company in an amount equal to One Million Dollars ($1,000,000) (subject to certain limitations regarding the use thereof).

Simultaneously with the Merger, upon the terms and conditions set forth in the Merger Agreement, the Company will (i) change its name from "Roomlinx, Inc." to "Signal Share, Inc.", (ii) amend and restate its articles of incorporation to substantially conform to the certificate of incorporation currently in effect for Signal Point, (iii) assume certain obligations of Signal Point, and (iv) transfer substantially all of its assets (excluding shares of Cardinal Broadband owned by the Company which will be placed in escrow at closing pending receipt of certain regulatory approvals) and liabilities into a newly-formed, wholly-owned subsidiary named "SignalShare Hospitality, Inc." ("Roomlinx Sub").

Following the consummation of the Merger, Aaron Dobrinsky, the current President of Signal Point, will serve as the Chief Executive Officer and a director of the Company, and Christopher Broderick, the current Chief Operating Officer of Signal Point, will serve as the Chief Operating Officer and a director of the Company.

Hyatt Master Services Agreement:

On March 12, 2012, Roomlinx and Hyatt Corporation entered into a Master Services and Equipment Purchase Agreement (the "MSA") pursuant to which Roomlinx has agreed to provide in-room media and entertainment solutions, including its proprietary Interactive TV (or iTV) platform, high speed internet, free-to-guest, on-demand programming and related support services, to Hyatt-owned, managed or franchised hotels that are located in the United States, Canada and the Caribbean. Under the agreement, Hyatt will use its commercially reasonable efforts to cause its managed hotels to order the installation of the Company's iTV product in a minimum number of rooms in Hyatt hotels within certain time frames.

In December 2012, Roomlinx and Hyatt mutually agreed to suspend certain Hyatt obligations under the MSA that had not been met, including the suspension of the obligations of Hyatt to cause a certain number of rooms in both Hyatt owned and managed properties to place orders for Roomlinx's iTV products within certain time frames. At the time of the December 2012 suspension of these Hyatt obligations, the Company had installed certain services and products in approximately 19,000 rooms (including approximately 9,000 installs of its iTV product) in Hyatt hotels. During the year ended December 31, 2013, the Company completed the installation of approximately 1,000 additional rooms. As of December 31, 2013 and 2012, deposits received on statements of work for Hyatt properties are recorded as customer deposits in the accompanying balance sheet in the amount of approximately $1,295,000 and $1,125,000, respectively.

See risk factors for discussion of potential effect on Company.

Employees

As of March 15, 2014 we had a total of 38 full-time personnel and one part-time employee. None of our employees are covered by a collective bargaining agreement. .

Environmental Matters

We believe that we are in compliance with all current federal and state environmental laws and currently have no costs associated with compliance with environmental laws or regulations.

ITEM 1A. RISK FACTORS

An investment in our company is very speculative and involves a very high degree of risk. An investment in our company is suitable only for the persons who can afford the loss of their entire investment. Accordingly, investors should carefully consider the following risk factors, as well as other information set forth in this report, in making an investment decision with respect to our securities. We have sought to identify what we believe to be all material risks and uncertainties to our business and ownership of our common stock, but we cannot predict whether, or to what extent, any of such risks or uncertainties may be realized nor can we guarantee that we have identified all possible risks and uncertainties that might arise. Additional risks and uncertainties that we do not currently know about or that we currently believe are immaterial may also harm our business operations. If any of these risks or uncertainties occurs, it could have a material adverse effect on our business.

Risks Relating to Our Business

Failure to Consummate the Merger with Signal Point Holdings Corp. Could Have an Adverse Effect on Our Operations

The consummation of the merger and other transactions contemplated under the Company's Merger Agreement with Signal Point is subject to various conditions, including the Company and Roomlinx Sub having required levels of cash, cash equivalents, inventory and receivables as of the closing date, the Company's entry into a debt restructuring agreement with its secured lender, conversion of certain debts of Signal Point into equity of Signal Point, the assumption of certain liabilities by Roomlinx Sub of third party creditors of the Company, and customary conditions, including stockholder approval at both companies.

If the Company does not consummate the merger with Signal Point, the potential effects on our operations, customers, suppliers and other stakeholders, including the Company's creditors, could be materially adverse. The factors taken into consideration by the Company's board of directors in determining that the merger with Signal Point is in the best interests of the Company, such as sustained losses by the Company, inability to obtain additional financing, vendor liabilities, the going concern of the Company and its financial situation, would continue to be concerns of the Company.

Certain Information Has Been Omitted from the Proxy Statement

The proxy statement filed by the Company in connection with the merger omits certain information about Signal Point which is to be determined prior to the closing of the Merger. In accordance with applicable law, the Company will file an amendment to the Form 8-K filed in connection with the merger with Signal Point (the "8-K Amendment") to disclose the financial statements of Signal Point, pro forma financial information and other information required by Regulation 14A under the Exchange Act to be disclosed therein. The Company will also disclose in the 8-K Amendment additional information regarding Signal Point and the post-merger management and stockholders of the Company, including but not limited to, information regarding security ownership of certain beneficial owners and management, directors and executive officers (including compensation thereof), and management's discussion and analysis of financial condition and results of operations.

Accordingly, any investor purchasing the Company's securities prior to the filing of the 8-K Amendment will be doing so without the benefit of this additional information, and will be purchasing the Company's securities based on the limited information regarding Signal Point contained in the Company's current public filings.

We Have Only a Limited Operating History, Which Makes It Difficult to Evaluate an Investment in Our Common Stock.

We have only a limited operating history upon which our business, financial condition and operating results may be evaluated. We face a number of risks encountered by early stage technology companies that participate in new technology markets, including our ability to:

- Maintain our engineering and support organizations, as well as our distribution channels;
- Negotiate and maintain favorable rates with our vendors;
- Retain and expand our customer base at profitable rates;
- Recoup our expenses associated with the wireless devices we resell to subscribers;
- Manage expanding operations, including our ability to expand our systems if our subscriber base grows substantially;
- Attract and retain management and technical personnel;
- Find adequate sources of financing; and
- Anticipate and respond to market competition and changes in technologies as they develop and become available.

We may not be successful in addressing or mitigating these risks and uncertainties, and if we are not successful our business could be significantly and adversely affected.

Both our management and our independent registered public accounting firm have identified material weaknesses in our internal control over financial reporting. If we are unable to correct these weaknesses, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected, and investor confidence and the market price of our shares may be adversely impacted.

The Securities and Exchange Commission, or the SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, if in future years, we were to meet certain market capitalization and other benchmarks, our independent registered public accounting firm would also report on the effectiveness of our internal control over financial reporting. As of December 31, 2013, our management concluded that our internal control over our financial reporting was not effective.

In connection with their audit of our financial statements for the year ended December 31, 2013, our management and our independent registered public accounting firm identified and communicated to us material weaknesses in our internal control over financial reporting as defined in the standards established by the U.S. Public Company Accounting Oversight Board that there is reasonable possibility that a material misstatement in our annual or interim financial statements would not be prevented or detected on a timely basis by our internal controls. The material weaknesses identified by our independent auditors include lack of adequate resources and experience within the accounting and finance department to ensure timely identification, resolution and recording of accounting matters.

Although we have adopted a remediation plan to improve our internal control over financial reporting, the plan may not be sufficient to overcome these material weaknesses. We will continue to implement measures to remedy these material weaknesses as well as other deficiencies identified by our independent auditors and us in order to meet the deadline and requirements imposed by Section 404 of the Sarbanes-Oxley Act. If we fail to timely achieve and maintain the adequacy of our internal controls, we may not be able to conclude that we have effective internal control over financial reporting. Moreover, effective internal control over financial reporting is necessary for us to produce reliable financial reports and is important to help prevent fraud. As a result, our failure to achieve and maintain effective internal control over financial reporting could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the market price of our shares.

Some of Our Supplies Are Provided By One Supplier Each

The remote control devices required to utilize our services are currently supplied by a single supplier. The content for our unlimited movie services is currently supplied by a single supplier. Therefore, in the event that the supply of any of these items from any of these suppliers was to be interrupted without sufficient notice, it would have a material adverse impact on us.

Substantial Dependence on Our Contract with Hyatt

On March 12, 2012, Roomlinx and Hyatt Corporation entered into a Master Services and Equipment Purchase Agreement (the “MSA”) pursuant to which Roomlinx has agreed to provide in-room media and entertainment solutions, including its proprietary Interactive TV (or iTV) platform, high speed internet, free-to-guest, on-demand programming and related support services, to Hyatt-owned, managed or franchised hotels that are located in the United States, Canada and the Caribbean. Under the agreement, Hyatt will use its commercially reasonable efforts to cause its managed hotels to order the installation of the Company’s iTV product in a minimum number of rooms in Hyatt hotels within certain time frames.

In December 2012, Roomlinx and Hyatt mutually agreed to suspend certain Hyatt obligations under the MSA that had not been met, including the suspension of the obligations of Hyatt to cause a certain number of rooms in both Hyatt owned and managed properties to place orders for Roomlinx’s iTV products within certain time frames. At the time of the December 2012 suspension of these Hyatt obligations, the Company had installed certain services and products in approximately 19,000 rooms (including approximately 9,000 installs of its iTV product) in Hyatt hotels. During the year ended December 31, 2013, the Company completed the installation of approximately 1,000 additional rooms. As of December 31, 2013 and 2012, deposits received on statements of work for Hyatt properties are recorded as customer deposits in the accompanying balance sheet in the amount of approximately $1,295,000 and $1,125,000, respectively.

Dependence on Key Customers and Suppliers

As a result of having signed the MSA, Hyatt Corporation properties accounted for 78% of Roomlinx revenue in 2013. The remote control devices required to utilize our services are currently supplied by a single supplier and the content for our unlimited movie services is currently supplied by a single supplier. Therefore, in the event that the supply of any of these items from any of these suppliers was to be interrupted without sufficient notice, it may have a material adverse impact on us.

New Technologies May Make Our Products and Services Obsolete or Unneeded

New and emerging technological advances, such as mobile computing devices that allow consumers to view movies and obtain information may adversely impact or eliminate the demand for our products and services. The increasing availability of content on such devices, the improved video quality of the content on such devices and faster wireless delivery speeds may make hotel guests less likely to purchase our services. Our success can depend on new product development. The entertainment and communications industry is ever-changing as new technologies are introduced. Advances in technology, such as new video formats, downloading or alternative methods of product delivery and distribution channels, such as the Internet, or certain changes in consumer behavior driven by these or other technologies and methods of delivery, could have a negative effect on our business. These changes could lower cost barriers for our competitors desiring to enter into, or expand their presence in, the television-based interactive services business. Increased competition may adversely affect our business including the scale, source and volatility of our revenue streams, cost structures and cash flow, and may require us to significantly change our operations.

Our Business is Generally Impacted by Conditions Affecting the Hospitality Industry's Performance

Our results are generally connected to the performance of the hospitality industry, where occupancy rates may fluctuate resulting from various factors. Reduction in hotel occupancy and consumer buy rates resulting from business, economic or other events, such as generally weak economic conditions, significant international crises, acts of terrorism, war or public health issues, adversely impacts our business, financial condition and results of operations. The general economic conditions over the last several years have adversely affected the hotel industry and our business and any recovery may not be sustained. The overall travel industry and consumer buying pattern can be, has been in the past and/or currently is, adversely affected by weaker general economic climates, consumer sentiment, geopolitical instability and concerns about public health.

To Generate Increased Revenue We Will Have to Increase Substantially the Number of Our Customers, Which May be Difficult to Accomplish.

Adding new customers will depend to a large extent on the success of our direct and indirect distribution channels and acquisition strategy, and there can be no assurance that these will be successful. Our customers' experiences may be unsatisfactory to the extent that our service malfunctions or our customer care efforts, including our website and 800 number customer service efforts, do not meet or exceed subscriber expectations. In addition, factors beyond our control, such as technological limitations of the current generation of devices, which may cause our customers' experiences with our service to not meet their expectations, can adversely affect our revenues.

We May Acquire or Make Investments in Companies or Technologies That Could Cause Loss of Value to Our Stockholders and Disruption of Our Business.

Subject to our capital constraints, we intend to continue to explore opportunities to acquire companies or technologies in the future. Entering into an acquisition entails many risks, any of which could adversely affect our business, including:

- Failure to integrate the acquired assets and/or companies with our current business;
- The price we pay may exceed the value we eventually realize;
- Loss of share value to our existing stockholders as a result of issuing equity securities as part or all of the purchase price;

- Potential loss of key employees from either our current business or the acquired business;
- Entering into markets in which we have little or no prior experience;
- Diversion of management's attention from other business concerns;
- Assumption of unanticipated liabilities related to the acquired assets; and
- The business or technologies we acquire or in which we invest may have limited operating histories, may require substantial working capital, and may be subject to many of the same risks we are.

We Have Limited Resources and We May be Unable to Effectively Support Our Operations.

We must continue to develop and expand our systems and operations in order to remain competitive. We expect this to place strain on our managerial, operational and financial resources. We may be unable to develop and expand our systems and operations for one or more of the following reasons:

- We may not be able to retain at reasonable compensation rates qualified engineers and other employees necessary to expand our capacity on a timely basis;
- We may not be able to dedicate the capital necessary to effectively develop and expand our systems and operations; and
- We may not be able to expand our customer service, billing and other related support systems.

If we cannot manage our operations effectively, our business and operating results will suffer. Moreover, even if we are successful in obtaining new customers for our products and services, we may encounter difficulty in, or be unable to, obtaining adequate resources, including financial and human, to roll-out our products and services to such customers.

Our Business Could be Harmed if we are Unable to Protect our Proprietary Technology.

We rely primarily on a combination of trade secrets, copyright and trademark laws and confidentiality procedures to protect our technology. Despite these precautions, unauthorized third parties may infringe, copy, or reverse engineer portions of our technology. In the absence of significant patent protection, we may be vulnerable to competitors who attempt to copy our products, processes or technology, which could harm our business.

Our Business Prospects Depend in Part on Our Ability to Maintain and Improve Our Services as Well as to Develop New Services.

We believe that our business prospects depend in part on our ability to maintain and improve our current services and to develop new services. Our services will have to achieve market acceptance, maintain technological competitiveness and meet an expanding range of customer requirements. We may experience difficulties that could delay or prevent the successful development, introduction or marketing of new services and service enhancements. Additionally, our new services and service enhancements may not achieve market acceptance.

Our Management and Operational Systems Might Be Inadequate to Handle Our Potential Growth.

We may experience growth that could place a significant strain upon our management and operational systems and resources. Failure to manage our growth effectively could have a material adverse effect upon our business, results of operations and financial condition. Our ability to compete effectively and to manage future growth will require us to continue to improve our operational systems, organization and financial and management controls, reporting systems and procedures. We may fail to make these improvements effectively. Additionally, our efforts to make these improvements may divert the focus of our personnel. We must integrate our key executives into a cohesive management team to expand our business. If new hires perform poorly, or if we are unsuccessful in hiring, training and integrating these new employees, or if we are not successful in retaining our existing employees, our business may be harmed. To manage the growth we will need to increase our operational and financial systems, procedures and controls. Our current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. We may not be able to effectively manage such growth, and failure to do so could have a material adverse effect on our business, financial condition and results of operations.

If We Do Not Respond Effectively and on A Timely Basis to Rapid Technological Change, Our Business Could Suffer.

Our industry is characterized by rapidly changing technologies, industry standards, customer needs and competition, as well as by frequent new product and service introductions. Our services are integrated with the computer systems of our customers. We must respond to technological changes affecting both our customers and suppliers. We may not be successful in developing and marketing, on a timely and cost-effective basis, new services that respond to technological changes, evolving industry standards or changing customer requirements. Our success will depend, in part, on our ability to accomplish all of the following in a timely and cost-effective manner:

- Effectively using and integrating new technologies;
- Continuing to develop our technical expertise;
- Enhancing our engineering and system design services;
- Developing services that meet changing customer needs;
- Advertising and marketing our services; and
- Influencing and responding to emerging industry standards and other changes.

We Depend on Retaining Key Personnel. The Loss of Our Key Employees Could Materially Adversely Affect Our Business.

Due to the technical nature of our services and the dynamic market in which we compete, our performance depends in part on our retaining key employees. Competitors and others may attempt to recruit our employees. A major part of our compensation to our key employees is in the form of stock option grants. A prolonged depression in our stock price could make it difficult for us to retain our employees and recruit additional qualified personnel.

If Our Hotel Customers Become Dissatisfied With Our Service, They May Elect Not to Renew Certain Products or Services With Us or They May Elect to Terminate Service Agreements, Which Could Have an Adverse Effect on Our Ability to Maintain or Grow Our Revenue.

In the event our customers become dissatisfied with the scope or capability of our products or services, or the level of revenue from our services, they may elect not to renew certain products or services upon expiration or terminate their existing agreements with us. The loss of these products or services or a loss of any significant number of hotel customers could have a detrimental effect on our operations and financial condition.

Our Data Systems Could Fail or Their Security Could Be Compromised, and We Will Increasingly Be Handling Personal Data Requiring Our Compliance With a Variety of Regulations.

Our business operations depend on the reliability of sophisticated data systems. Any failure of these systems, or any breach of our systems' security measures, could adversely affect our operations, at least until our data can be restored and/or the breaches remediated. We have, to a limited extent, begun to serve as a conduit for personal information to third-party credit processors, service partners and others, and it is likely we will do so more regularly. The handling of such personal information requires we comply with a variety of federal, state and industry requirements governing the use and protection of such information, including, but not limited to, FTC consumer protection regulations and Payment Card Industry ("PCI") data security standards and, for the Healthcare division, the requirements of the Health Insurance Portability and Accountability Act ("HIPAA") and regulations thereunder. While we believe we have taken the steps necessary to assure compliance with all applicable regulations and have made necessary changes to our data systems, any failure of these systems or any breach of the security of these systems could adversely affect our operations and expose us to increased cost, liability for lost personal information and increased regulatory obligations.

An Interruption in the Supply of Products and Services That We Obtain From Third Parties Could Cause a Decline in Sales of Our Services.

In designing, developing and supporting our services, we rely on many third party providers. These suppliers may experience difficulty in supplying us products or services sufficient to meet our needs or they may terminate or fail to renew contracts for supplying us these products or services on terms we find acceptable. If our liquidity deteriorates, our vendors may tighten our credit, making it more difficult for us to obtain suppliers on terms satisfactory to us. Any significant interruption in the supply of any of these products or services could cause a decline in sales of our services, unless and until we are able to replace the functionality provided by these products and services. We also depend on third parties to deliver and support reliable products, enhance their current products, develop new products on a timely and cost-effective basis and respond to emerging industry standards and other technological changes.

We Operate in a Very Competitive Industry, Which May Negatively Impact Our Prices for Our Services or Cause Us to Lose Business Opportunities.

The market for our services is becoming increasingly competitive. Our competitors may use the same products and services in competition with us. With time and capital, it would be possible for competitors to replicate our services and offer similar services at a lower price. We expect that we will compete primarily on the basis of the functionality, breadth, quality and price of our services. Our current and potential competitors include:

- Other wireless high speed internet access providers, such as SDSN, Guest-Tek Wayport, Greentree, Core Communications and StayOnLine;
- Other viable network carriers, such as SBC, Comcast, Sprint and COX Communications; and
- Other internal information technology departments of large companies.

Many of our existing and potential competitors have substantially greater financial, technical, marketing and distribution resources than we do. Additionally, many of these companies have greater name recognition and more established relationships with our target customers. Furthermore, these competitors may be able to adopt more aggressive pricing policies and offer customers more attractive terms than we can. In addition, we have established strategic relationships with many of our potential competitors. In the event such companies decide to compete directly with us, such relationships would likely be terminated, which could have a material adverse effect on our business and reduce our market share or force us to lower prices to unprofitable levels.

We May be Sued by Third Parties For Infringement of Their Proprietary Rights and We May Incur Substantial Defense Costs and Possibly Substantial Royalty Obligations or Lose The Right to Use Technology Important To Our Business.

Any intellectual property claims, with or without merit, could be time consuming and expensive to litigate or settle and could divert management attention from administering our business. A third party asserting infringement claims against us or our customers with respect to our current or future products may materially adversely affect us by, for example, causing us to enter into costly royalty arrangements or forcing us to incur settlement or litigation costs.

Our Quarterly Operating Results are Subject to Significant Fluctuations and, As A Result, Period-To-Period Comparisons of Our Results of Operations are Not Necessarily Meaningful.

- The success of our brand building and marketing campaigns;
- Price competition from potential competitors;
- The amount and timing of operating costs and capital expenditures relating to establishing the Company’s business operations;
- The demand for and market acceptance of our products and services;
- Changes in the mix of services sold by our competitors;

- Technical difficulties or network downtime affecting communications generally;
- The ability to meet any increased technological demands of our customers; and
- Economic conditions specific to our industry.

Therefore, our operating results for any particular quarter may differ materially from our expectations or those of security analysts and securities traders and may not be indicative of future operating results. The failure to meet expectations may cause the price of our common stock to decline. Since we are susceptible to these fluctuations, the market price of our common stock may be volatile, which can result in significant losses for investors who purchase our common stock prior to a significant decline in our stock price.

Covenants under our Credit Facility may restrict our future operations and adverse consequences could result in the event of non-compliance

Our current Credit Facility contains covenants which may restrict our ability to finance future operations or capital needs or to engage in other business activities. Future borrowing instruments, such as credit facilities and indentures, if any, are also likely to contain restrictive covenants and may require us to pledge assets as security under those future arrangements. The terms of our current Credit Facility, include many restrictive financial and other covenants. Events beyond our control, including changes in general economic and business conditions, as well as our financial performance, may adversely affect our business. Such changes in general economic and business conditions, or our financial performance, may affect our ability to meet those covenants and to otherwise remain in compliance with the requirements of our Credit Facility and other material agreements. A breach of any of these covenants would result in a default under the applicable debt instrument or agreement. In that event, the amounts under the applicable agreement could be declared immediately due and payable, or require us to amend the Credit Facility, resulting in significantly higher annual interest expense, and such a default may cause a default under some of our material agreements. As a result of these covenants and restrictions, we are limited in how to conduct our business and we may be unable to compete effectively, to meet our customer demands for installations or service or take advantage of new business opportunities.

A Significant Amount of Our Common Stock is Held by a Few Stockholders

As of March 15, 2014, Matthew Hulsizer and Jennifer Just, directly and indirectly, together with certain of their affiliates, held 1,492,522 (or approximately 23.3%) of our outstanding shares of common stock and beneficially own approximately 31.8% (common stock, inclusive of warrants) and could, therefore, have a significant influence on us.

Many of our Key Functions Are Concentrated in a Single Location, and a Natural Disaster Could Seriously Impact Our Ability to Operate.

Our IT systems, production, inventory control systems, executive offices and finance/accounting functions, among others, are primarily centralized in our Broomfield, Colorado facility. A natural disaster, such as a tornado, could seriously disrupt our ability to continue or resume normal operations for some period of time. While we have certain business continuity plans in place, no assurances can be given as to how quickly we would be able to resume operations and how long it may take to return to normal operations. We may experience business interruptions and could incur substantial losses beyond what may be covered by applicable insurance policies, and may experience a loss of customers, vendors and employees during the recovery period.

Potential Fluctuations in Quarterly Operating Results

Our quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, most of which are outside of our control, including: the demand for our products and services; seasonal trends in purchasing; the amount and timing of capital expenditures and other costs relating to the development of our products and services; price competition or pricing changes in the industry; technical difficulties or system downtime; general economic conditions, and economic conditions specific to the hospitality industry. Our quarterly results may also be significantly impacted by the impact of the accounting treatment of acquisitions, financing transactions or other matters. Due to the foregoing factors, among others, it is likely that our operating results will fall below our expectations or those of investors in some future quarter.

Limitation of Liability and Indemnification of Officers and Directors

Our officers and directors are required to exercise good faith and high integrity in the management of our affairs. Our Articles of Incorporation provides, however, that our officers and directors shall have no personal liability to us or our stockholders for damages for any breach of duty owed to us or our stockholders, unless they breached their duty of loyalty, did not act in good faith, knowingly violated a law, or received an improper personal benefit. Our Articles of Incorporation and By-Laws also provide for the indemnification by us of our officers and directors against any losses or liabilities they may incur by reason of their serving in such capacitates, provided that they do not breach their duty of loyalty, act in good faith, do not knowingly violate a law, and do not received an improper personal benefit. Additionally, we have entered into individual Indemnification Agreements with each of our directors and officers to implement with more specificity the indemnification provisions provided by the Company's By-Laws and provide, among other things, that to the fullest extent permitted by applicable law, the Company will indemnify such director or officer against any and all losses, expenses and liabilities arising out of such director's or officer's service as a director or officer of the Company, as the case may be. The Indemnification Agreements also contain detailed provisions concerning expense advancement and reimbursement.

Disclosure Controls and Procedures and Potential Inability to Make Required Public Filings; Material Weakness in our Internal Controls

Given our limited personnel, we may be unable to maintain effective controls to ensure that we are able to make all required public filings in a timely manner. In fact, from December 27, 2005 until May 14, 2009, our Common Stock was removed from listing from the OTC Bulletin Board as a result of our failure to timely make all our required public filings. If we do not make all public filings in a timely manner, our shares of common stock may again be delisted from the OTC Bulletin Board and we could also be subject to regulatory action and/or lawsuits by stockholders.

Both our management and our independent registered public accounting firm have identified material weaknesses in our internal control over financial reporting. If we are unable to correct these weaknesses, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected, and investor confidence and the market price of our shares may be adversely impacted.

The Securities and Exchange Commission, or the SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, if in future years, we were to meet certain market capitalization and other benchmarks, our independent registered public accounting firm would also report on the effectiveness of our internal control over financial reporting. As of December 31, 2013, our management concluded that our internal control over our financial reporting is not effective.

In connection with their audit of our financial statements for the year ended December 31, 2013, our management and our independent registered public accounting firm identified and communicated to us material weaknesses in our internal control over financial reporting as defined in the standards established by the U.S. Public Company Accounting Oversight Board that there is reasonable possibility that a material misstatement in our annual or interim financial statements would not be prevented or detected on a timely basis by our internal controls. The material weakness identified by our independent auditors relate to a lack of adequate resources and experience within the accounting and finance department to ensure timely identification, resolution and recording of accounting matters.

Although we have adopted a remediation plan to improve our internal control over financial reporting, the plan may not be sufficient to overcome these material weaknesses. We will continue to implement measures to remedy these material weaknesses as well as other deficiencies identified by our independent auditors and us in order to meet the deadline and requirements imposed by Section 404 of the Sarbanes-Oxley Act. If we fail to timely achieve and maintain the adequacy of our internal controls, we may not be able to conclude that we have effective internal control over financial reporting. Moreover, effective internal control over financial reporting is necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to achieve and maintain effective internal control over financial reporting could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the market price of our shares.

Risks Relating to Our Common Stock

Resale of Shares Could Adversely Affect the Market Price of Our Common Stock and Our Ability to Raise Additional Equity Capital

The sale or availability for sale, of common stock in the public market pursuant to filed or future prospectuses may adversely affect the prevailing market price of our common stock and may impair our ability to raise additional capital by selling equity or equity-linked securities. The resale of a substantial number of shares of our common stock in the public market could adversely affect the market price for our common stock and make it more difficult for you to sell our shares at times and prices that you feel are appropriate.

Further Issuances of Equity Securities May Be Dilutive to Current Stockholders.

It is likely that we will be required to seek additional capital in the future. This capital funding could involve one or more types of equity securities, including convertible debt, common or convertible preferred stock and warrants to acquire common or preferred stock. Such equity securities could be issued at or below the then-prevailing market price for our common stock. Any issuance of additional shares of our common stock will be dilutive to existing stockholders and could adversely affect the market price of our common stock.

Articles of Incorporation Grants the Board of Directors the Power to Designate and Issue Additional Shares of Preferred Stock.

Our Articles of Incorporation grants our Board of Directors authority to, without any action by our stockholders, designate and issue, from our authorized capital, shares in such classes or series as it deems appropriate and establish the rights, preferences, and privileges of such shares, including dividends, liquidation and voting rights. The rights of holders of classes or series of preferred stock that may be issued could be superior to the rights of the common stock offered hereby. Our board of directors' ability to designate and issue shares could impede or deter an unsolicited tender offer or takeover proposal. Further, the issuance of additional shares having preferential rights could adversely affect other rights appurtenant to the shares of common stock offered hereby. Any such issuances will dilute the percentage of ownership interest of our stockholders and may dilute our book value.

Lack of Liquid Trading Market for Common Stock

Although our stock is quoted on the OTC Bulletin Board (the "OTCBB") under the symbol "RMLX", the market for our common stock is not liquid as there have been days when our stock did not trade even though it was quoted.

Limited Market Due To Penny Stock

Our stock differs from many stocks, in that it is considered a penny stock. The Securities and Exchange Commission has adopted a number of rules to regulate penny stocks. These rules include, but are not limited to, Rules 3a5l-l, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6 and 15g-7 under the Securities and Exchange Act of 1934, as amended. Because our securities probably constitute penny stock within the meaning of the rules, the rules would apply to our securities and us. The rules may further affect the ability of owners of our stock to sell their securities in any market that may develop for them. There may be a limited market for penny stocks, due to the regulatory burdens on broker-dealers. The market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all.

Stockholders should be aware that, according to the Securities and Exchange Commission Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These patterns include: control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; “boiler room” practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons; excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

Furthermore, the penny stock designation may adversely affect the development of any public market for our shares of common stock or, if such a market develops, its continuation. Broker-dealers are required to personally determine whether an investment in penny stock is suitable for customers. Penny stocks are securities (i) with a price of less than five dollars per share; (ii) that are not traded on a “recognized” national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); and (iv) of an issuer with net tangible assets less than $2,000,000 (if the issuer has been in continuous operation for at least three years) or $5,000,000 (if in continuous operation for less than three years), or with average annual revenues of less than $6,000,000 for the last three years. Section 15(g) of the Exchange Act and Rule 15g-2 of the Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor’s account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be penny stock. Rule 15g-9 of the Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor.

This procedure requires the broker-dealer to (i) obtain from the investor information concerning his financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor’s financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for the Company’s stockholders to resell their shares to third parties or to otherwise dispose of them.

The Trading Price of Our Common Stock May Fluctuate Significantly Due To Factors Beyond Our Control

The trading price of our common stock will be subject to significant fluctuations in response to numerous factors, including:

- Variations in anticipated or actual results of operations;

- Announcements of new products or technological innovations by us or our competitors;
- Changes in earnings estimates of operational results by analysts;
- Inability of market makers to combat short positions on the stock;
- Inability of the market to absorb large blocks of stock sold into the market; and
- Comments about us or our markets posted on the Internet.

Moreover, the stock market from time to time has experienced extreme price and volume fluctuations, which have particularly affected the market prices for emerging growth companies and which often have been unrelated to the operating performance of the companies. These broad market fluctuations may adversely affect the market price of our common stock. If our stockholders sell substantial amounts of their common stock in the public market, the price of our common stock could fall. These sales also might make it more difficult for us to sell equity or equity related securities in the future at a price we deem appropriate.

We Do Not Intend to Pay Dividends on Our Common Stock.

We have never paid or declared any cash dividends on our common stock and intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares of common stock unless they sell them.

Sarbanes-Oxley and Federal Securities Laws Reporting Requirements Can Be Expensive

As a public reporting company, we are subject to the Sarbanes-Oxley Act of 2002, as well as the information and reporting requirements of the Securities Exchange Act of 1934, as amended and other federal securities laws. The costs of compliance with the Sarbanes-Oxley Act and of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC, and furnishing audited reports to stockholders, are significant and may increase in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTY

We lease our principal offices, which are located at 11101 W. 120th Avenue, Suite 200, Broomfield, CO 80021, consisting of approximately 10,500 square feet.

ITEM 3. LEGAL PROCEEDINGS

The Company is in receipt of a District Court Civil Summons, dated May 29, 2012, in the matter of "CLC Networks, Inc. and Skada Capital, LLC v. Roomlinx, Inc.", commenced in the District Court of Boulder County, Colorado (the "Action"). The plaintiffs in the Action claimed that the Company owed them certain unpaid sales commissions, including with respect to Hyatt Corporation in connection with that certain Master Services and Equipment Purchase Agreement, as described in the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on March 13, 2012.

Effective February 3, 2014, the parties executed a Compromise and Settlement Agreement (the "Agreement") in which the Parties mutually agree to all of its contents and the consideration transferred does not in any way constitute an admission of disputed facts. Under the terms of the Agreement, Roomlinx agrees to consideration in an amount of $106,528.32, such payment to consist of nineteen equal installments approximating $5,607 with the first payment due on March 15, 2014 and the final payment due on September 15, 2015. Upon receipt of the final payment the Plaintiff will take such action as necessary to dismiss the Action. As of December 31, 2013, the consideration is recorded in accrued expenses on the consolidated balance sheet.

The Company is in receipt of a letter from Technology Integration Group ("TIG") demanding payment of approximately $2,430,000 with respect to inventory and services which the Company purchased from TIG. As of December 31, 2013 and 2012, the Company had approximately $2,100,000 (net of payments made in 2013) and $2,430,000, respectively, recorded in accounts payable in the accompanying consolidated balance sheets. TIG subsequently filed an action in California State Court although the Company has not yet been served in such action. The Company believes that it has meritorious defenses and counterclaims in respect of TIG's claim. The Company intends to pursue a settlement of all claims with TIG and is in discussions with TIG in respect thereof.

The Company is in receipt of a request for indemnification from Hyatt in connection with a case brought in US Federal Court in California by Ameranth, Inc., against, among others, Hyatt. In connection with such case, the plaintiffs have identified the Company's e-concierge software as allegedly infringing Ameranth's patents. The Company licenses the e-concierge software from a third party and accordingly has made a corresponding indemnification request to such third party. The Company believes that any such claim may also be covered by the Company's liability insurance coverage and accordingly the Company does not expect that this matter will result in any material liability to the Company.

The Company is in receipt of a District Court Civil Summons, dated August 23, 2013, in the matter of "ScanSource v. Roomlinx, Inc.", commenced in the District Court of Greenville County, South Carolina (the "Action"). The plaintiffs in the Action claim that the Company owes them approximately $473,000 with respect to inventory which the Company purchased. The amount is recorded in accounts payable in the accompanying consolidated balance sheets as of December 31, 2013 and 2012. The Company intends to pursue a settlement of all claims.

The Company is in receipt of a letter from the BSA Software Alliance ("BSA") in connection with copyright infringement of computer software products alleging the unauthorized duplication of various computer software products. BSA has threatened to file an action against the Company if it does not timely respond to its request for an internal audit. The Company intends to review BSA's claims and respond appropriately.

The Company is in receipt of a letter from an attorney representing a past employee claiming retaliation and discrimination in connection with the termination of his employment seeking damages approximating $85,000. No claim has been file with the District Court. The Company rejects these charges and should it be served with a summons, the Company will vigorously defend its position.

Other than the foregoing, there are no material legal proceedings to which the Company (or any officer or director of the Company, or any affiliate or owner of record or beneficially of more than five percent of the Common Stock, to management's knowledge) is party to or to which the property of the Company is subject is pending, and no such material proceeding is known by management of the Company to be contemplated.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

The Company entered into a Merger Agreement with Signal Point on March 14, 2014, pursuant to which a wholly-owned subsidiary of the Company will merge with and into Signal Point. In the event of the consummation of the merger and the restructuring of the Company contemplated by the Merger Agreement (including a reverse split of the Company's common stock utilizing a ratio resulting in the Company having 600,000 shares of outstanding common stock), the business operations of the Company and Signal Point will be combined, and the Company will be owned 14% by current security holders of the Company and 86% by current security holders of Signal Point. On March 17, 2014, the Company filed a Current Report on Form 8-K and a preliminary proxy statement on Schedule 14A, each of which describes the terms of the merger and the material provisions of the Merger Agreement. For a detailed summary of the merger with Signal Point, see the section entitled "Recent Developments" in Item 1 to this Annual Report on Form 10-K.

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASERS OF EQUITY SECURITIES

Our common stock trades on the OTC-Bulletin Board under the symbol "RMLX". Our Class A Preferred Stock trades on the OTC-Bulletin Board under the symbol "RMLXP". For the periods indicated, the following table sets forth the high and low bid quotations for our Common Stock and Class A Preferred Stock as reported by the National Quotation Bureau, Inc. The quotations represent inter-dealer quotations without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

SYMBOL	TIME PERIOD	LOW	HIGH
RMLX	January 1, - March 31, 2012	$ 2.25	$ 4.80
	April 1, - June 30, 2012	$ 2.15	$ 3.50
	July 1, - September 30, 2012	$ 2.30	$ 3.98
	October 1, - December 31, 2012	$ 1.80	$ 2.75
	January 1, - March 31, 2013	$ 1.15	$ 2.39
	April 1, - June 30, 2013	$ 0.52	$ 1.90
	July 1, - September 30, 2013	$ 0.11	$ 0.65
	October 1, - December 31, 2013	$ 0.03	$ 0.34
RMLXP	January 1, - March 31, 2012	$ 0.10	$ 0.10
	April 1, - June 30, 2012	$ 0.10	$ 0.10
	July 1, - September 30, 2012	$ 0.10	$ 0.12
	October 1, - December 31, 2012	$ 0.05	$ 0.12
	January 1, - March 31, 2013	$ 0.20	$ 0.20
	April 1, - June 30, 2013	$ 0.10	$ 0.20
	July 1, - September 30, 2013	$ 0.10	$ 0.11
	October 1, - December 31, 2013	$ 0.10	$ 0.10

The closing bid for our Common Stock on the OTC-Bulletin Board on March 15, 2014 was $0.30. Stockholders are urged to obtain current market quotations for our common stock. As of March 15, 2014, 6,411,413 shares of Common Stock were issued and outstanding which were held of record by approximately 270 shareholders. As of March 15, 2014, 720,000 shares of Class A Preferred Stock were issued and outstanding which were held of record by approximately 40 shareholders.

Dividends

The Company has not paid any cash dividends on its stock. Dividends may not be paid on the common stock while there are accrued but unpaid dividends on the Class A Preferred Stock, which bears a 9% cumulative dividend. As of December 31, 2013 accumulated but unpaid Class A Preferred Stock dividends aggregated $198,120. Payments must come from funds legally available for dividend payments. It is the current intention of the Company to retain any earnings in the foreseeable future to finance the growth and development of its business and not pay dividends on the common stock.

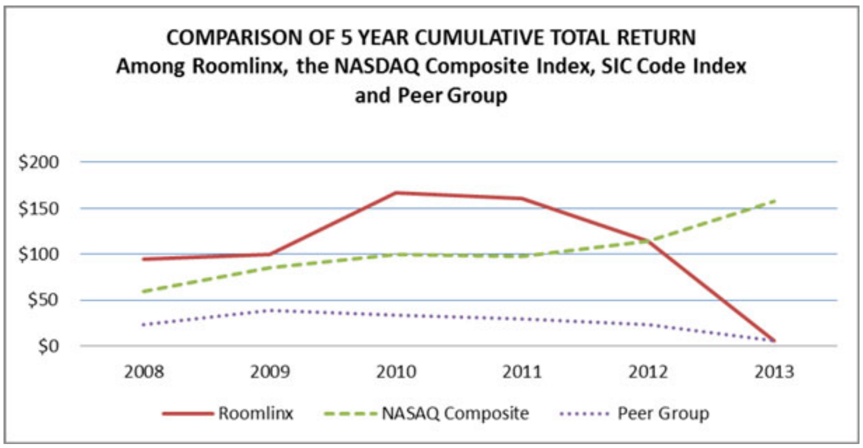
Issuer Purchases of Equity Securities

During 2013, the Company did not repurchase any shares of our common or preferred stock.

Performance Graph

The following graph compares the percentage change in the Company's cumulative total stockholder return on its common stock with (i) the cumulative total return of the NASDAQ Market Index and (ii) the cumulative total return of all companies (the "Peer Group") with the same four-digit standard industrial code ("SIC") as the Company (SIC 4841 – Cable and Other Pay Television Services over the period and SIC 4899 – Communication Services, NEC) over the period from January 1, 2008 through December 31, 2013. The graph assumes an initial investment of $100 in each of the Company, the NASDAQ Market Index and the Peer Group and reinvestment of dividends. The Company did not declare or pay any dividends on its common stock in 2012. The graph is not necessarily indicative of future price performance.

This graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act or under the Exchange Act, except to the extent the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.



Footnotes:

$100 invested on 01/01/08 in stock or index, including reinvestment of dividends
Fiscal years ended December 31

<u>Recent Sales of Unregistered Securities</u>

There have been no recent sales of unregistered securities.

ITEM 6. SELECTED FINANCIAL DATA

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with our consolidated financial statements, the accompanying notes to these financial statements, and the other financial information that appears elsewhere in this Annual Report on Form 10-K or our SEC filings.

GENERAL

Currently we offer the following services to our customers:

- Site-specific determination of needs and requirements;
- Design and installation of the wireless or wired network;
- Customized development, design and installation of a media and entertainment system;
- IP-based delivery of on-demand high-definition and standard-definition programming including Hollywood, Adult, and specialty content;
- Delivery of free-to-guest ("FTG") television programming via satellite;
- Delivery of an interactive ("click and go") programming guide;
- Full maintenance and support of the network and Interactive TV product;
- Technical support to assist guests, hotel staff, and residential and business customers, 24 hours a day, 7 days a week, 365 days a year;
- Delivery of an advertising and E-commerce platform through iTV.

Overview

Roomlinx, Inc., a Nevada corporation ("we," "us" or the "Company"), provides four core products and services:

In-room media and entertainment

Roomlinx provides a suite of in-room media and entertainment products and services for hotels, resorts, and time share properties. Products and services included within our in-room media and entertainment offering include our proprietary Interactive TV platform ("iTV") and on-demand movies.

The Company develops proprietary software and integrates hardware to facilitate the distribution of its Interactive TV platform. With Roomlinx, iTV guests will have access to a robust feature set through the HDTV such as:

- Internet Apps including Netflix, Pandora, Hulu, YouTube, Facebook, and many more
- International and U.S. television programming on demand
- Click and Go TV program guide or Interactive Program Guide ("IPG")
- Web Games
- MP3 player and thumb drive access
- Ability to send directions from the iTV system to a mobile device

Hotel guests can also easily order room service, interact with hotel associates, make restaurant reservations, edit and print documents as well as gain direct access to local dining, shopping, nightlife, cultural events or attractions all through a dynamic user interface on the TV. The Interactive TV platform integrates the TV and Internet experience.

The Company provides proprietary software, a media console and an extended USB port for the hotel guest, a proprietary wireless keyboard with built-in mouse, and a proprietary remote control with a built in mouse. The Company installs and supports these components.

The Company also supplies video-on-demand services to the hospitality industry. Roomlinx offers a full selection of video-on-demand services and technology; including first non-theatrical release Hollywood motion pictures, adult, and specialty content.

Hotel customers sign long-term service agreements, where we provide the maintenance for the networks, as well as the right to provide value added services over the network.

The Company generates revenue through:

- Ongoing connectivity service and support contracts
- Network design and installation services
- Delivery of content and advertising
- Delivery of business and entertainment applications
- E-commerce
- The customization of its software
- Software licensing
- Delivery of pay-per-view content
- Sale of video-on-demand systems

Free-To-Guest Television Programming ("FTG").

Our hotel satellite television programming services provide for delivery and viewing of high definition and standard definition television programming for hotels, resorts, and time share properties. The Company installs and provides services that address the entertainment and information needs of hotel guests and resort guests. We specialize in providing advanced high definition equipment for delivering digital television programming such as ESPN, HBO, Starz, and other specialty and local channels.

The Company generates revenue through:

- The design and installation of FTG systems
- Delivery of television programming fees and/or commissions

Customers typically pay a one-time fee for the installation of the equipment and then pay monthly programming fees for delivery of a specific TV channel lineup.

Wired Networking Solutions and Wireless Fidelity Networking Solutions.

We provide wired networking solutions and wireless fidelity networking solutions, also known as Wi-Fi, for high speed internet access at hotels, resorts, and timeshare locations. The Company installs and creates services that address the productivity and communications needs of hotel, resort, and timeshare guests. We specialize in providing advanced Wi-Fi wireless services such as the wireless standards known as 802.11a/b/g/n/i.

Hotel customers sign long-term service agreements, where we provide the maintenance for the networks, as well as the right to provide value added services over the network.

The Company generates revenue through:

- Ongoing connectivity service and support contracts
- Network design and installation services

Customers typically pay a one-time fee for the installation of the network and then pay monthly maintenance fees for the upkeep and support of the network.

Residential Media and Communications

We provide residential and business customers telecommunication services including telephone, satellite television, and wired and wireless internet access. Telephone service is provided through traditional, analog "twisted pair" lines, as well as digital voice over internet protocol ("VoIP") Analog phone service is typically provided via an interconnection agreement with CenturyLink, Inc., which allows the Company to resell CenturyLink service through their wholesale and retail accounts with CenturyLink. VoIP service is provided at properties where the Company maintains a broadband internet service to the end customer, allowing the Company to provide digital phone service (VoIP) over the same lines as their internet service.

Television service is typically provided via the Company's agreements with DISH Network and DirecTV. Most television service to customers is provided via a head-end distribution system, or an L-Band digital distribution system. Television service is offered in high definition whenever possible.

Internet service is provided via both wired and wireless network design. The Company provisions and manages broadband access to the residential customers through both wholesale and resale methods. Wholesale methods exist when the Company owns and controls the internet circuit and resale methods exist when the Company uses an affiliated third party to provide the internet circuit.

The Company generates revenue through:

- Network design and installation services
- Delivery of telephone service (billed monthly)
- Delivery of Internet service (billed monthly)
- Delivery of television service (billed by the satellite provider with monthly commissions paid to the Company)
- Management fees for the management of affiliated communication systems

Highlights

The highlights and business developments for the year ended December 31, 2013 include the following:

- US hospitality recurring revenue increased approximately $2,025,000 or 70%.
- Installation of approximately 1,000 iTV rooms under the Master Services Agreement with Hyatt Hotels.
- Implemented company-wide cost containment program yielding approximately a $1,525,000 decrease in costs year over year.

Hyatt Master Services Agreement

On March 12, 2012, Roomlinx and Hyatt Corporation entered into a Master Services and Equipment Purchase Agreement (the "MSA") pursuant to which Roomlinx has agreed to provide in-room media and entertainment solutions, including its proprietary Interactive TV (or iTV) platform, high speed internet, free-to-guest, on-demand programming and related support services, to Hyatt-owned, managed or franchised hotels that are located in the United States, Canada and the Caribbean. Roomlinx's media and entertainment solutions may be provided in the "full option" (Interactive TV) or the "lite option" (Video on Demand).

Pursuant to the MSA, we have agreed to make financing available to hotels that exceed certain minimum credit criteria for the purchase of equipment necessary for the provision of the Services at annual interest rates of no greater than 11.5% per annum and subject to certain restrictions and limitations. The amount of financing that Roomlinx is required to provide will not exceed the lesser of (i) the amount of installation fees that are payable by Hyatt-owned hotels under Hotel Service Agreements that have not elected to receive equipment financing or (ii) $11 million. To date, no financing has been requested by Hyatt properties.

The MSA terminates on the later of (i) 60 days following the five year anniversary of the effective date or (ii) if any Hotel Services Agreement is in effect on such five year anniversary, then the MSA will continue to apply to such Hotel Services Agreement until it expires. The MSA may be terminated by Hyatt in the event (i) Roomlinx is in breach of certain obligations under the MSA, (ii) Roomlinx is subject to bankruptcy, assignment for the benefit of its creditors, is in receivership or similar proceeding or (iii) in the event of a delegation, transfer, assignment, change of control or ownership by Roomlinx or the sale of all or substantially all of its assets.

In March 2012, Roomlinx and Hyatt entered into the MSA which provided for, among other things, the obligation of Hyatt to order and to use its commercially reasonable efforts to cause its managed hotels to order the installation of the Company's iTV product in a minimum number of rooms in Hyatt hotels within certain time frames measured from March 2012, subject to Roomlinx's satisfaction of certain other conditions of the MSA.

In December 2012, Roomlinx and Hyatt mutually agreed to suspend certain Hyatt obligations under the MSA that had not been met, including the suspension of the obligations of Hyatt to cause a certain number of rooms in both Hyatt owned and managed properties to place orders for Roomlinx's iTV products within certain time frames. At the time of the December 2012 suspension of these Hyatt obligations, the Company had installed certain services and products in approximately 19,000 rooms (including approximately 9,000 installs of its iTV product) in Hyatt hotels. During the year ended December 31, 2013, the Company completed the installation of approximately 1,000 additional rooms. As of December 31, 2013 and 2012, deposits received on statements of work for Hyatt properties are recorded as customer deposits in the accompanying balance sheet in the amount of approximately $1,295,000 and $1,125,000, respectively.

Trends and Business Outlook

We believe there has been a fundamental shift in the way people communicate and from where they get their content. This shift is affecting guest habits within the hotel room. Hotel guests are getting their content from the internet or alternative mobile sources, such as laptops and smartphones. Roomlinx developed the Interactive TV platform to embrace these changing habits and allow guests easy access to their content, work, and the internet via the in-room flat panel LCD. The majority of Roomlinx' growth in 2013 recurring revenues can be attributed to sales of our Interactive TV product, high speed internet services and free-to-guest TV programming. We have seen strong usage of the Interactive TV platform at our current hotel installations and we believe there is even greater ability to monetize our Interactive TV platform as we increase hotel penetration and usage. We believe our Interactive TV platform creates a true differentiation for Roomlinx and we will continue to invest in product enhancements and Interactive TV sales and marketing efforts.

Although our current results demonstrate the success of our initial efforts, general economic conditions, aged hotel infrastructure, and market uncertainty may still negatively affect our financial results in future periods. We anticipate that the rate of installations will become more predictable however may vary from quarter to quarter. Consequently, if anticipated installations and shipments in any quarter do not occur when expected, expenses and inventory levels could be disproportionately high, and our operating results for that quarter and future quarters may be adversely affected. Further, given the lag between the incurrence of expenses in connection with hotel installations, we anticipate that, while we will see organic growth that positions us for future profitability, our costs of sales and other operating expenses may exceed our revenues in the near term. We have incurred operating losses since our inception.

CRITICAL ACCOUNTING POLICIES

Management’s Discussion and Analysis of Financial Condition and Results of Operations discuss our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and liabilities. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, allowance for doubtful accounts and property and equipment valuation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

The Company enters into contractual arrangements to provide multiple deliverables which may include some or all of the following - systems installations and a variety of services related to high speed internet access, free-to-guest programming, video on demand, and iTV as well as residential phone, internet and television. Each of these elements must be identified and individually evaluated for separation. The term “element” is used interchangeably with the term “deliverable” and the Company considers the facts and circumstances as it relates to its performance obligations in the arrangement and includes product and service elements, a license or right to use an asset, and other obligations negotiated for and assumed in the agreement. Analyzing an arrangement to identify all of the elements requires the use of judgment, however, once the deliverables have been identified, the Relative Fair Value of each Element was determined under the concept of Relative Selling Price (RSP) for which the Company applied the hierarchy of selling price under ASC Topic 605, “Revenue Recognition”.

The effect of application of this standard may be to defer revenue recognition for installations across the service period of the contract and to re-allocate and/or defer revenue recognition across various service arrangements.

In order to promote the Interactive TV platform, Roomlinx has agreed to provide certain customers with direct sales-type lease financing to cover the cost of installation. These transactions result in the recognition of revenue and associated costs in full upon the customer’s acceptance of the installation project and give rise to a lease receivable and unearned income.

We estimate the collectability of our trade receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including analysis of historical collection rates and the current credit-worthiness of significant customers.

Inventory includes materials on-hand at our warehouses as well as the cost of hardware, software, and labor which has been incurred by us for installation at our customer’s property, but has not been accepted by the customer.

The Company reviews the carrying value of long-lived assets, such as property and equipment, whenever events or circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized to reduce the carrying value of the asset to its estimated fair value.

Since inception, we have accumulated substantial net operating loss carry forwards for tax purposes. There are statutory limitations on our ability to realize any future benefit from these potential tax assets and we are uncertain as to whether we will ever utilize the tax loss carry forwards. Accordingly, we have recorded a valuation allowance to offset the deferred tax asset.

The Company provides compensation costs for our stock option plans determined in accordance with the fair value based method to estimate the fair value of each stock option at the grant date by using the Black-Scholes option-pricing model and provide for expense recognition over the service period, if any, of the stock option.

In connection with the sale of debt or equity instruments, we may sell options or warrants to purchase our common stock. In certain circumstances, these options or warrants may be classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as conversion options, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013 COMPARED TO YEAR ENDED DECEMBER 31, 2012

During the year ended December 31, 2013, the Company realized a loss on discontinued operations related to the determination to cancel hospitality contracts serviced by Cardinal Hospitality, Ltd., a wholly-owned subsidiary (see note 10 of the financial statements) as of December 20, 2013. The cancellation of these contracts was based on an analysis by the Company whereby it was determined that the continuing decline of recurring revenues associated with the CHL VOD product were generating losses at the individual property level. Accordingly the Company determined to eliminate these contracts. Under ASC 360-10, the consolidated comprehensive statement of loss for the year ended December 31, 2012 has been reclassified to be consistent with the presentation for the year ended December 31, 2013.

Our revenues for the years ended December 31, 2013 and 2012 were $9,448,543 and $13,003,915 respectively, a decrease of $3,555,372, or 27%, reflecting a decrease in installation revenue of approximately $5,600,000 and an increase in recurring revenue of approximately $1,925,000. Substantially all of the changes in revenue were attributable to the Hyatt MSA. The decrease in installation revenue was primarily realized in the fourth quarter of 2013 vs 2012, when the Company installed approximately 1,700 RGU’s in 2013 vs 20,000 RGU’s in 2012, the result of Hyatt and Roomlinx agreeing to slow installations of the iTV product at the end of 2012. The increase in annual recurring revenue reflects the substantial number of hotel installations in 2012 and 2013, generating an increase of approximately $1,975,000.

Direct costs exclusive of operating expenses for the years ended December 31, 2013 and 2012 were $6,880,509 and $11,875,850 respectively, a decrease of $4,995,251, or 42%. Installation direct costs decreased approximately $6,200,000 and include the cost of equipment, warehousing and freight, 3rd party labor, transportation costs and direct payroll costs. Recurring direct costs increased approximately $1,100,000 and primarily include the costs of our 24x7 call center, free to guest programming, pay per view content and 3rd party labor. This cost increase was due to the increase in recurring revenue.

Hospitality

The hospitality segment includes hotel and meeting rooms in the following geographic segments: United States, Canada, and Other Foreign. As of December 31, 2013, Other Foreign included Mexico and Aruba. The products offered under our hospitality segment include the installation of, and the support and service of, high-speed internet access, interactive TV services, video-on-demand, free to guest programming, and, advertising and e-commerce products. Effective December 20, 2013, Canadian and Aruba hospitality contracts serviced by CHL were cancelled by Roomlinx, as more fully discussed in note 10 of the financial statements.

United States: US hospitality revenue for the year ended December 31, 2013 and 2012 was $8,050,570 and $11,922,741 respectively, a decrease of $3,872,171 or 32%. This decrease consists of approximately $5,900,000 of installation revenue and an increase in recurring revenue of $2,025,000 or 70%. As of December 31, 2013 and 2012, the Company had approximately 64,000 and 43,500 RGUs in service. Substantially all of the increased revenue was attributable to the Hyatt MSA.

Canada: Canadian hospitality revenue for the year ended December 31, 2013 and 2012 was $360,977 and $41,873 respectively, an increase of $319,104. This increase is primarily due to installation revenue of approximately $282,000 in 2013 vs $0 in 2012. Recurring revenue increased from approximately $42,000 to $79,000, or $37,000 as a result of 2013 installations.

Other Foreign: Other foreign hospitality revenue for the years ended December 31, 2013 and 2012 was $175,002 and $124,247 respectively, an increase of $50,775 or 41%. This increase is primarily due to installation revenue of approximately $137,000 in 2013. Recurring revenue decreased from approximately $124,000 to $38,000, the result of cancelling a contract with a resort hotel.

Residential

Our residential segment includes multi-dwelling unit and business customers in the United States. The products offered include the installation of, and the support and service of, telephone, internet, and television services.

Residential revenue for the year ended December 31, 2013 and 2012 was $861,994 and $915,054 respectively, a decrease of $53,060 or 6%. We believe the decline in recurring revenue relates to a reduction in use of traditional phone lines and increased competition.

Operational Expenses

Total operating expenses for the years ended December 31, 2013 and 2012 were $5,836,664 and $6,955,509 respectively, for a net decrease of $1,118,845, comprised of a decrease of $1,951,274 in continuing costs of operations less a loss on asset impairment of $832,429. The decrease in operating costs is primarily due to a cost reduction and containment program generating a savings of approximately $1,525,000, the result of a 37% decrease in personnel, reducing payroll and related costs of approximately $1,372,000, and various operating costs with a net decrease approximating $153,000, as discussed in the following paragraphs. Additional decreases in cost included approximately $269,000 in bad debt expense and approximately $250,000 in depreciation expense related to impaired assets less approximately $106,000 related to litigation settlement costs as discussed in note 17 to the financial statements.

Operations expense for the years ended December 31, 2013 and 2012 was $1,278,320 and $2,128,652, respectively, a decrease of $850,332 or 40%. This decrease is primarily due to a 71% decrease in personnel, reducing payroll and related costs approximately $829,000,

Product development expenses for the years ended December 31, 2013 and 2012 was $805,885 and $1,280,743, respectively, a decrease of $474,858 or 37%. This decrease is primarily due to a 58% decrease in personnel, reducing payroll and related costs approximately $423,000, and reductions in various operating accounts approximating $51,000.

Selling, general and administrative expenses for the years ended December 31, 2013 and 2012 was $2,672,324 and $3,047,946, respectively, a decrease of $375,622 or 12%. This decrease is primarily due to the following decreases in costs: (i) a 59% decrease in personnel, reducing payroll and related costs approximately $120,000, (ii) bad debt expense decrease of $269,000, (iii) a decrease in marketing of $45,000, and various operating accounts with a net decrease of approximately $84,000. These decreases were offset by an increase in legal fees approximating $46,000 and approximately $106,000 related to litigation settlement costs as discussed in note 17 to the financial statements.

Depreciation expense for the years ended December 31, 2013 and 2012 was $247,706 and $498,168, respectively, a decrease of $250,462 or 50%. This decrease reflects the reduction in depreciation expense attributable to the impairment of property and equipment recorded at September 30, 2012.

During the year ended December 31, 2013, the Company recognized a loss on the impairment of assets of $832,429 related to the determination that the carrying value of inventory would not be recoverable from the estimated future cash flows expected from their use and eventual disposition (see note 5 to the financial statements).

Our operating loss decreased to $3,268,720 for the year ended December 31, 2013 compared to $5,827,444 for the year ended December 31, 2012, a decrease of $2,558,724, or 44%. This decrease is primarily attributable to a net increase in revenues less direct costs and the cost savings achieved through the Company's 2013 cost reduction and containment program, as described above. For the years ended December 31, 2013 and 2012, continuing operational expenses (operating, product development, and selling, general and administrative costs) decreased 82% as a percentage of recurring revenue to 81% in 2013 compared to 163% in 2012.

Non-Operating

For the years ended December 31, 2013 and 2012, the Company's non-operating income was $180,220 and $287,759 respectively. The net decrease of $107,539 is due to the decline in interest income on lease receivables. During 2013, leases of approximately $340,000 terminated. Non-operating expenses for the years ended December 31, 2013 and 2012 were $642,813 and $601,725 respectively, an increase of $41,088. This increase is primarily due to the outstanding carrying value of the Cenfin line of credit year over year.

Discontinued operations are the result of the termination of all CHL contracts on December 20, 2013, resulting in a loss on discontinued operations of $422,503 for the year ended December 31, 2013. Under ASC 360-10, the consolidated statements of comprehensive income have been reclassified for the year ended December 31, 2012, to identify a loss on discontinued operations of $1,250,324.

For the years ended December 31, 2013 and 2012, the Company experienced net losses of $4,153,816 and $7,391,734 respectively, a net decrease of $3,327,918, comprised of an increase in revenue less direct costs of approximately $1,520,000, a decrease of approximately $1,800,000 in costs of operations, and a decrease of approximately $830,000 in loss from discontinued operations less a loss on asset impairment of approximately $832,000, all of which are more fully described above.

Related Party Transactions

Since June 5, 2009 the Company has maintained a Revolving Credit, Security and Warrant Purchase Agreement (the "Credit Agreement") with Cenfin LLC, an entity principally owned by significant shareholders of the Company (see Note 8 to the Financial Statements). The Credit Agreement permits us to borrow up to $25 million until June 5, 2017. On May 3, 2013, the Company and Cenfin executed a fourth amendment to the Credit Agreement which provided Cenfin sole and absolute discretion related to funding any advance requested by Roomlinx. Advances must be repaid at the earlier of 5 years from the date of borrowing or at the expiration of the Credit Agreement. The principal balance may be repaid at any time without penalty. Borrowings accrue interest, payable quarterly on the unpaid principal and interest at a rate equal to the Federal Funds Rate at July 15 of each year plus 5% (approximately 5.09% at December 31, 2013). The Credit Agreement is collateralized by substantially all of our assets, and requires we maintain a total outstanding indebtedness to total assets ratio of less than 3 to 1.

The Credit Agreement requires that, in conjunction with each advance, we issue Cenfin warrants to purchase shares of Roomlinx common stock equal to 50% of the principal amount funded divided by (i) $2.00 on the first $5,000,000 of borrowings on or after July 15, 2010 ($4,172,000 as of December 31, 2013) or (ii) thereafter the fair market value of the Company's common stock on the date of such draw for advances in excess of $5,000,000. The exercise price of the warrants is $2.00 for the warrants issued on the first $5,000,000 of borrowings made after July 15, 2010 and, thereafter, the average of the high and low market price for the Company's common stock on the date of issuance. The exercise period of these warrants expire three years from the date of issuance.

During the year ended December 31, 2013, the Company made interest payments of $256,942. Amounts outstanding under the Credit Agreement were $5,176,000 at December 31, 2013.

Effective July 25, 2012, Roomlinx entered into a consulting arrangement for marketing services with TRG, Inc., an entity owned by Michael S. Wasik, the CEO and Chairman of Roomlinx. The marketing services were to be performed by Chris Wasik, the wife of Mr. Wasik. As of December 31, 2012, Roomlinx had paid TRG $94,950 for services performed in accordance with said arrangement. At the beginning of December 2012, Chris Wasik became an employee of Roomlinx as its Director of Marketing with a salary of $85,000 per annum, effectively severing the consulting arrangement with TRG. Subsequently in December 2013, Ms. Wasik assumed responsibility for the Company's call center at which time her salary was increased to $101,400. For the year ended December 31, 2013, Ms. Wasik was paid $88,275 as an employee of the Company.

The wife of Jason Andrew Baxter, the Company's Chief Operating Officer, provides certain contract and financial services to the Company through Baxter Facilities, LLC, a limited liability company co-owned by Mr. Baxter. The Company has paid Baxter Facilities, LLC $23,448 and $46,321 for its services for the years ended December 31, 2013 and 2012, respectively.

FINANCIAL CONDITION

LIQUIDITY & CAPITAL RESOURCES

As of December 31, 2013 the Company had $2,125,655 in cash and cash equivalent, which is sufficient to continue business operations for at least the next twelve months. During the first half of 2013, the Company executed against a phased reduction whereby at the end of the year, the Company had realized a 37% reduction in personnel to mitigate its fixed cost base, substantially contributing to the reduction of operational expenses, which consist of operations, product development and selling, general and administrative costs as a percentage of recurring revenue to 79%, as compared to 170% for the same period in 2012. In addition, the Company has developed an effective vendor management program to reduce its outstanding payables and extend payment terms.

Working capital at December 31, 2013 was a deficit of $946,114 as compared to $1,700,723 at December 31, 2012. The decrease in working capital of $2,646,837 is primarily due to (i) a reduction in cash approximating $1,085,000 of which a substantial portion was related to vendor payments in the second quarter of 2013, (ii) an impairment of asset charge related to inventory approximating $832,000 recorded on the consolidated statements of comprehensive income, and (iii) the recognition of a loss on discontinued operations of which approximately $167,000 related to accounts receivable and inventory. Additionally, $464,000 of the Cenfin line of credit was classified as a current liability thereby resulting in a reduction in working capital. The remaining decrease in working capital of approximately $100,000 is the net change in the working capital assets and liabilities.

The Company is in receipt of a letter from Technology Integration Group ("TIG") demanding payment of approximately $2,430,000 with respect to inventory and services which the Company purchased from TIG. The amount (net of payments made in 2013) is recorded in accounts payable in the accompanying consolidated balance sheets as of December 31, 2013 and 2012. TIG subsequently filed an action in California State Court although the Company has not yet been served in such action. The Company believes that it has meritorious defenses and counterclaims in respect of TIG's claim. The Company intends to pursue a settlement of all claims with TIG and is in discussions with TIG in respect thereof.

The Company is in receipt of a request for indemnification from Hyatt in connection with a case brought in US Federal Court in California by Ameranth, Inc., against, among others, Hyatt. In connection with such case, the plaintiffs have identified the Company's e-concierge software as allegedly infringing Ameranth's patents. The Company licenses the e-concierge software from a third party and accordingly has made a corresponding indemnification request to such third party. The Company believes that any such claim may also be covered by the Company's liability insurance coverage and accordingly the Company does not expect that this matter will result in any material liability to the Company.

The Company is in receipt of a District Court Civil Summons, dated August 23, 2013, in the matter of "ScanSource v. Roomlinx, Inc.", commenced in the District Court of Greenville County, South Carolina (the "Action"). The plaintiffs in the Action claim that the Company owes them approximately $473,000 with respect to inventory which the Company purchased. The amount is recorded in accounts payable in the accompanying consolidated balance sheets as of December 31, 2013 and 2012. The Company intends to pursue a settlement of all claims.

The Company is in receipt of a letter from the BSA Software Alliance ("BSA") in connection with copyright infringement of computer software products alleging the unauthorized duplication of various computer software products. BSA has threatened to file an action against the Company if it does not timely respond to its request for an internal audit. The Company intends to review BSA's claims and respond appropriately

The Company is in receipt of a letter from an attorney representing a past employee claiming retaliation and discrimination in connection with the termination of his employment seeking damages approximating $85,000. No claim has been file with the District Court. The Company rejects these charges and should it be served with a summons, the Company will vigorously defend its position

As discussed in Note 7 to the financial statements, the Company's Credit Agreement with Cenfin LLC ("Cenfin") was recently amended to provide that the determination as to whether Cenfin will advance funds under the Credit Agreement shall be made solely by Cenfin. Accordingly, there are no guarantees that Cenfin will make any additional advances under the Credit Agreement. If the Company is unable to borrow additional funds under the line of credit or obtain financing from alternative sources, the Company estimates its current cash and cash equivalents are sufficient to fund operations for at least the next twelve months.

Operating Activities

Net cash used by operating activities was $1,950,101 and $1,793,538 for the years ended December 31, 2013 and 2012, respectively. The increase in cash used in operations of $156,563 was attributable to the decrease in cash provided by operations of $3,394,481 less the decrease in net loss of $3,237,918. Cash provided by operations included (i) a decrease of $519,646 in non-cash expenses consisting of a decrease of $827,821 from the loss on discontinued operations, a decrease in the provision for uncollectible accounts and leases receivable of $400,157, a decrease in depreciation expense of $250,462, an increase in loss on asset impairment of $832,429 and fluctuations in other recurring non-cash adjustments such as stock based compensation and the amortization of debt discount, and (ii) a decrease of $2,874,835 from the fluctuation in changes in operating assets and liabilities.

Investing Activities

Net cash provided by investing activities was $907,321 for the year ended December 31, 2013 compared to $628,268 provided by investing activities during the same period in 2012. The increase in cash provided by investing activities of $279,053 was attributable to a savings of $142,879 resulting from a decrease in financing customer installation, and a savings of $189,940 resulting from a decline in capital expenditures during 2013 versus 2012, offset by a decrease in 2013 cash receipts against leases receivable totaling $48,766.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2013 was $22,752 compared to $3,963,505 of net cash provided by financing activities for the year ended December 31, 2012. . The decrease in cash of $3,986,257 in financing activities is primarily attributable to 2012 activities that included (i) the sale of common stock which resulted in proceeds of $2,933,311 and (ii) the receipt of an advance against its line of credit in the amount of $1,000,000.

Contractual Obligations

We have operating and capital lease commitments, note payable commitments, and a line of credit commitment. The following table summarizes these commitments at December 31, 2013:

Years ended December 31,	Line of Credit	Notes Payable	Lease Obligations Capital	Lease Obligations Operating	Minimum Payments
2014	$ 464,000	$ 11,065	$ 12,309	$ 224,934	$ 712,308
2015	1,232,000	12,345	3,253	114,064	1,361,662
2016	2,480,000	7,851	-	-	2,487,851
2017	1,000,000	-	-	-	1,000,000
	$ 5,176,000	$ 31,261	$ 15,562	$ 338,998	$ 5,561,821

(1) The Line of Credit, as shown on the Balance Sheet at December 31, 2013 is shown net of the debt discount of $826,797.

FORWARD-LOOKING STATEMENTS

This report contains or incorporates forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties. Statements regarding future events, developments, the Company's future performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future are forward-looking statements within the meaning of these laws. We develop forward-looking statements by combining currently available information with our beliefs and assumptions. These statements relate to future events, including our future performance, and management's expectations, beliefs, intentions, plans or projections relating to the future and some of these statements can be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "seeks," "future," "continue," "contemplate," "would," "will," "may," "should," and the negative or other variations of those terms or comparable terminology or by discussion of strategy, plans, opportunities or intentions. As a result, actual results, performance or achievements may vary materially from those anticipated by the forward-looking statements. These statements include, among others:

- statements concerning the benefits that we expect will result from our business activities and results of exploration that we contemplate or have completed, such as increased revenues; and
- statements of our expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts.

Among the factors that could cause actual results, performance or achievements to differ materially from those indicated by such forward-looking statements are:

- the continued suspension of certain obligations of the Company and Hyatt pursuant to the MSA or the removal of such obligations from the MSA and the restructure or release of the obligations of certain Hyatt hotels to install the Company's iTV product;
- the Company's successful implementation of new products and services (either generally or with specific key customers);

- the Company’s ability to satisfy the contractual terms of key customer contracts;
- the risk that we will not achieve the strategic benefits of the acquisition of Canadian Communications;
- demand for the new products and services, the volume and timing of systems sales and installations, the length of sales cycles and the installation process and the possibility that our products will not achieve or sustain market acceptance;
- unexpected changes in technologies and technological advances and ability to commercialize and manufacture products;
- the timing, cost and success or failure of new product and service introductions, development and product upgrade releases;
- the Company’s ability to successfully compete against competitors offering similar products and services;
- the ability to obtain adequate financing in the future;
- the Company’s ability to establish and maintain strategic relationships, including the risk that key customer contracts may be terminated before their full term;
- general economic and business conditions;
- errors or similar problems in our products, including product liabilities;
- the outcome of any legal proceeding that has been or may be instituted against us and others and changes in, or failure to comply with, governmental regulations;
- our ability to attract and retain qualified personnel;
- maintaining our intellectual property rights and litigation involving intellectual property rights;
- legislative, regulatory and economic developments;
- risks related to third-party suppliers and our ability to obtain, use or successfully integrate third-party licensed technology;
- breach of our security by third parties; and
- those factors discussed in “Risk Factors” in our periodic filings with the Securities and Exchange Commission (the “SEC”).

We make these statements under the protection afforded by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Because forward-looking statements are subject to assumptions and uncertainties, actual results, performance or achievements may differ materially from those expressed or implied by such forward-looking statements. Stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date such statements are made. Except to the extent required by applicable law or regulation, Roomlinx undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. **Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risks, primarily changes in U.S. and LIBOR interest rates and risk from potential changes in the U.S./Canadian currency exchange rates as they relate to our services and purchases for our Canadian customers.

Foreign exchange gain / (loss)

Transactions denominated in a foreign currency give rise to a gain (loss) which is included in selling, general and administrative expenses in the consolidated statement of comprehensive income (loss). For the years ended December 31, 2013 and 2012, transaction losses were not material.

Translation of Financial Results

Because we translate a portion of our financial results from Canadian dollars to U.S. dollars, fluctuations in the value of the Canadian dollar directly effect on our reported consolidated results. We do not hedge against the possible impact of this risk. A ten percent adverse change in the foreign currency exchange rate would not have a significant impact on our consolidated results of operations or financial position.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Roomlinx, Inc.

We have audited the accompanying consolidated balance sheets of Roomlinx, Inc. and its subsidiaries ("the Company") as of December 31, 2013 and 2012, and the related statements of comprehensive loss, changes in deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses and negative cash flows from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 17 to the consolidated financial statements, in March 2014, the Company entered into a merger agreement with a company in a related industry. Our opinion is not modified with respect to this matter.

/s/ GHP Horwath, P.C.

Denver, Colorado
March 31, 2014

Roomlinx, Inc.
CONSOLIDATED BALANCE SHEETS

		2013		2012
ASSETS				
Current assets:				
Cash and cash equivalents	$	2,125,655	$	3,211,182
Accounts receivable, net		1,241,459		1,761,503
Leases receivable, current portion		764,879		995,220
Prepaid and other current assets		87,303		115,902
Inventory, net		1,434,337		3,308,792
Total current assets		5,653,633		9,392,599
Property and equipment, net		317,486		790,873
Leases receivable, non-current		816,487		1,672,245
Total assets	$	6,787,606	$	11,855,717
LIABILITIES AND DEFICIT				
Current liabilities:				
Line of credit, current portion	$	464,000	$	-
Accounts payable		3,970,034		5,079,204
Accrued expenses and other current liabilities		512,683		668,012
Customer deposits		1,295,450		1,125,248
Notes payable and other obligations, current portion		23,374		21,884
Unearned income, current portion		59,344		187,540
Deferred revenue, current portion		274,862		609,988
Total current liabilities		6,599,747		7,691,876
Deferred revenue, less current portion		251,595		294,963
Notes payable and other obligations, less current portion		23,449		47,691
Unearned income, less current portion		103,268		198,404
Line of credit, net of discount, less current portion		3,885,203		4,007,177
Total liabilities		10,863,262		12,240,111
Deficit:				
Preferred stock - $0.20 par value, 5,000,000 shares authorized:				
Class A - 720,000 shares authorized, issued and outstanding (liquidation preference of $144,000 at December 31, 2013 and 2012)		144,000		144,000
Common stock - $0.001 par value, 200,000,000 shares authorized: 6,411,413 and 6,405,413 shares issued and outstanding at December 31, 2013 and 2012, respectively		6,411		6,405
Additional paid-in capital		37,460,577		36,971,369
Accumulated deficit		(41,713,638)		(37,571,896)
Accumulated other comprehensive income		(18,976)		7,684
Total Roomlinx, Inc. shareholders' deficit		(4,121,626)		(442,438)
Non-controlling interest		45,970		58,044
Total deficit		(4,075,656)		(384,394)
Total liabilities and deficit	$	6,787,606	$	11,855,717

The accompanying notes are an integral part of these consolidated financial statements.

Roomlinx, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
for the years ended December 31, 2013 and 2012

	2013	2012
Revenues:		
Hospitality:		
Product and installation	$ 3,556,389	$ 9,034,223
Services	5,030,160	3,054,638
Residential:		
Services	861,994	915,054
Total	9,448,543	13,003,915
Direct costs and operating expenses:		
Direct costs (exclusive of operating expenses and depreciation shown seperately below):		
Hospitality	6,259,578	11,231,195
Residential	621,021	644,655
Operating expenses:		
Operations	1,278,320	2,128,652
Product development	805,885	1,280,743
Selling, general and administrative	2,672,324	3,047,946
Depreciation	247,706	498,168
Loss on asset impairment	832,429	-
	12,717,263	18,831,359
Operating loss	(3,268,720)	(5,827,444)
Non-operating income (expense):		
Interest expense	(642,813)	(601,725)
Interest income	180,220	287,759
	(462,593)	(313,966)
Net loss from continuing operations	(3,731,313)	(6,141,410)
Discontinued operations:		
Loss from discontinued operations	(422,503)	(1,250,324)
Net loss	(4,153,816)	(7,391,734)
Less: net loss attributable to the non-controlling interest	12,074	5,763
Net loss attributable to the Company	(4,141,742)	(7,385,971)
Other comprehensive (loss) income:		
Currency translation (loss) income	(26,660)	16,486
Comprehensive loss	(4,168,402)	(7,369,485)
Comprehensive loss attributable to the non-controlling interest	-	-
Comprehensive loss attributable to the Company	$ (4,168,402)	$ (7,369,485)
Net loss per common share:		
Basic and diluted	$ (0.65)	$ (1.27)
Loss attributable to continuing operations per common share		
Basic and diluted	$ (0.58)	$ (1.06)
Loss attributable to discontined operations per common share		
Basic and diluted	$ (0.07)	$ (0.22)
Weighted average shares outstanding:		
Basic and diluted	6,407,484	5,809,406

The accompanying notes are an integral part of these consolidated financial statements.

Roomlinx, Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT
for the yearss ended December 31, 2013 and 2012
(unaudited)

	Roomlinx, Inc. Shareholders								
	Preferred Stock A		Common Stock		Additional Paid - in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated (Deficit)	Non-Contolling Interest	Total Stockholders' (Deficit) Equity
	Number of Shares	Par Value $0.20	Number of Shares	Par Value $0.001					
Balances, January 1, 2012	720,000	$ 144,000	5,118,877	$ 5,119	$ 33,102,512	$ (8,802)	$ (30,185,925)	$ 63,807	$ 3,120,711
Warrants issued in conjuction with draw on line of credit					350,167				350,167
Shares issued at $2.50 per share, net of costs			1,280,000	1,280	2,992,031				2,993,311
Cashless option exercises			6,536	6	(6)				-
Stock based compensation					526,665				526,665
Comprehensive income (loss):									
Net loss							(7,385,971)	(5,763)	(7,391,734)
Translation loss						16,486			16,486
Balances, December 31, 2012	720,000	$ 144,000	6,405,413	$ 6,405	$ 36,971,369	$ 7,684	$ (37,571,896)	$ 58,044	$ (384,394)
Restricted shares of common stock vested			6,000	6	11,994				12,000
Stock based compensation					477,214				477,214
Comprehensive income (loss):									
Net loss							(4,141,742)	(12,074)	(4,153,816)
Translation loss						(26,660)			(26,660)
Balances, December 31, 2013	720,000	$ 144,000	6,411,413	$ 6,411	$ 37,460,577	$ (18,976)	$ (41,713,638)	$ 45,970	$ (4,075,656)

The accompanying notes are an integral part of these consolidated financial statements.

Roomlinx, Inc.
CONSOLIDATED CASH FLOW STATEMENTS
for the years ended December 31, 2013 and 2012
(unaudited)

	2013	2012
Cash flows from operating activities:		
Net loss	$ (4,153,816)	$ (7,391,734)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	247,706	498,168
Amortization of debt discount	342,026	332,121
Stock-based compensation	477,214	526,665
Compensation cost related to restricted stock issuances	16,077	-
Settlement of royalty payable	-	(179,834)
Provision for uncollectable accounts and leases receivable	(48,000)	352,157
Reserve for inventory obsolescence	-	30,000
Asset impairment	832,429	-
Loss on discontinued operations	422,503	1,250,324
Change in operating assets and liabilities:		-
Accounts receivable	590,016	(1,075,299)
Prepaid and other current assets	28,599	76,319
Inventory	995,345	(2,240,883)
Accounts payable and other liabilities	(1,264,499)	4,832,326
Customer deposits	166,125	1,125,248
Unearned income	(223,332)	(222,495)
Deferred revenue	(378,494)	293,379
Total adjustments	2,203,715	5,598,196
Net cash used in operating activities:	(1,950,101)	(1,793,538)
Cash flows from investing activities:		
Lease financing provided to customers	-	(142,879)
Payments received on leases receivable	923,861	972,627
Purchase of property and equipment	(16,540)	(201,480)
Net cash provided by investing activities:	907,321	628,268
Cash flows from financing activities:		
Proceeds from sale of common stock, net	-	2,993,311
Proceeds from the line of credit	-	1,000,000
Proceeds from notes payable	-	45,000
Payments on capital lease	(11,499)	(13,280)
Payments on notes payable	(11,253)	(61,526)
Net cash (used in) provided by financing activities	(22,752)	3,963,505
Effects of foreign currency translation	(19,995)	51,719
Net (decrease) increase in cash and equivalents	(1,085,527)	2,849,954
Cash and equivalents at beginning of period	3,211,182	361,228
Cash and equivalents at end of period	$ 2,125,655	$ 3,211,182
Supplemental cash flow information:		
Cash paid for interest	$ 285,454	$ 264,900
Non-cash investing and financing activities:		
Restricted stock vested	$ 12,000	$ -
Assets acquired under capital lease	$ -	$ 34,617
Warants isssed in connection with line of credit	$ -	$ 350,167

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Significant Accounting Policies

Description of Business: Roomlinx, Inc. (the "Company") is incorporated under the laws of the state of Nevada. The Company sells, installs, and services in-room media and entertainment solutions for hotels, resorts, and time share properties; including its proprietary Interactive TV platform, internet, and free to guest and video on demand programming. Roomlinx also sells, installs and services telephone, internet, and television services for residential consumers. The Company develops software and integrates hardware to facilitate the distribution of Hollywood, adult, and specialty content, business applications, national and local advertising, and concierge services. The Company also sells, installs and services hardware for wired networking solutions and wireless fidelity networking solutions, also known as Wi-Fi, for high-speed internet access to hotels, resorts, and time share locations. The Company installs and creates services that address the productivity and communications needs of hotel, resort and time share guests, as well as residential consumers. The Company may utilize third party contractors to install such hardware and software.

Basis of Consolidation: The consolidated financial statements include Roomlinx, Inc. and its wholly-owned subsidiaries, Canadian Communications LLC, Cardinal Connect, LLC, Cardinal Broadband, LLC, Cardinal Hospitality, Ltd., and Arista Communications, LLC, a 50% subsidiary, controlled by the Company. Canadian Communications and Cardinal Connect, LLC, are non-operating entities. All significant intercompany accounts and transactions have been eliminated in consolidation.

Discontinued Operations: During the year ended December 31, 2013, the Company terminated all hotel contracts serviced by Cardinal Hospitality, Ltd. (see note 10) meeting the definition under applicable accounting standards of a discontinued operation. All prior periods have been reclassified to present these operations as discontinued. Financial information in the consolidated financial statements and related notes have also been revised to reflect the results of continuing operations for all periods presented.

Reclassification: Certain amounts in the prior period financial statements have been reclassified to conform to the current year presentation.

Going Concern and Management Plans: The Company has experienced recurring losses and negative cash flows from operations. At December 31, 2013, the Company had approximate balances of cash and cash equivalents of $2,125,000, working capital deficit of $964,000, total deficit of $4,076,000 and accumulated deficit of $41,714,000. To date the Company has in large part relied on debt and equity financing to fund its shortfall in cash generated from operations. As of December 31, 2013, the Company has available approximately $19,800,000 under its line of credit, however, as described below, any borrowings under the line of credit could be limited.

As described in Note 7, on May 4, 2013, the Company executed a Fourth Amendment to the Revolving Credit, Security and Warrant Purchase Agreement previously entered into by them on June 5, 2009 (the "Original Agreement"). Pursuant to the Amendment, the Original Agreement has been amended to provide that the making of any and all Revolving Loans (as defined in the Original Agreement) shall be at the sole and absolute discretion of Cenfin. Accordingly, the Company's ability to borrow under the line of credit is at the discretion of the lender, and there are no assurances that the lender will permit the Company to borrow under the line of credit. Management is closely monitoring the cash balances, cash needs and expense levels and has implemented a cost reduction plan. In addition, in March 2014, the Company entered into a merger agreement with a company in a similar industry (see note 17). Accordingly, the Company's cash balance has remained relatively constant through the six months ended December 31, 2013. If the Company is unable to borrow additional funds under the line of credit or obtain financing from alternative sources, the Company estimates its current cash and cash equivalents are sufficient to fund operations for at least the next twelve months. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might result should the Company be unable to continue as a going concern.

Use of Estimates: The preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements: The Company discloses fair value information about financial instruments based on a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2013 and 2012.

The respective carrying value of certain financial instruments approximate their fair values. These financial instruments include cash and cash equivalents, accounts receivable, leases receivable, accounts payable, accrued liabilities, capital lease obligations, notes payable and the line of credit. The carrying value of cash and cash equivalents, accounts receivable, leases receivable, accounts payable and accrued liabilities approximate fair value due to their short term nature. The carrying amount of capital lease obligations and notes payable approximates their fair values as the pricing and terms of these liabilities approximate market rates. The fair value of the line of credit is not practicable to estimate because of the related party nature of the underlying transactions. The Company has no financial instruments with the exception of cash and cash equivalents (level 1) valued on a recurring basis.

Cash and cash equivalents: The Company considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. From time to time, the Company's cash account balances exceed the balances as covered by the Federal Deposit Insurance System. The Company has never suffered a loss due to such excess balances.

Accounts Receivable: Accounts receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. Accounts receivable in excess of 30 days old are considered delinquent. Outstanding customer invoices are periodically assessed for collectability. The assessment and related estimate are based on current credit-worthiness and payment history. As of December 31, 2013 and 2012, the Company recorded an allowance in the amount of $181,000 and $229,000, respectively.

Inventory: Inventory, principally large order quantity items which are required for the Company's media and entertainment installations, is stated at the lower of cost (first-in, first-out) basis or market. The Company generally maintains only the inventory necessary for contemplated installations. Work in progress represents the cost of equipment and third party installation related to installations which were not yet completed.

The Company performs an analysis of slow-moving or obsolete inventory periodically and any necessary valuation reserves, which could potentially be significant, are included in the period in which the evaluations are completed. As of December 31, 2013 and 2012, the inventory obsolescence reserve of $120,000 was mainly related to raw materials and results in a new cost basis for accounting purposes.

Leases Receivable: Leases receivable represent direct sales-type lease financing to cover the cost of installation. These transactions result in the recognition of revenue and associated costs in full upon the customer's acceptance of the installation project and give rise to a lease receivable equal to the gross lease payments and unearned income representing the implicit interest in these lease payments. Unearned income is amortized over the life of the lease to interest income on a monthly basis. The carrying amount of leases receivable are reduced by a valuation allowance that reflects the Company's best estimate of the amounts that may not be collected. This estimate is based on an assessment of current creditworthiness and payment history. As of December 31, 2012 an allowance was recorded in the amount of $135,000. No such allowance was recorded as of December 31, 2013.

Property and Equipment: Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, generally five years for leasehold improvements, hospitality and residential equipment, and three years for computer related assets.

Long-Lived Assets: The Company reviews the carrying value of long-lived assets, such as property and equipment, whenever events or circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized to reduce the carrying value of the asset to its estimated fair value.

Revenue Recognition: Revenue is derived from the installation and ongoing services of in-room media, entertainment, and HD television programming solutions in addition to wired networking solutions and WiFi Fidelity networking solutions. Revenue is recognized when all applicable recognition criteria have been met, which generally include a) persuasive evidence of an existing arrangement; b) fixed or determinable price; c) delivery has occurring or service has been rendered; d) collectability of the sales price is reasonably assured.

Installations and service arrangements are contractually predetermined and such contractual arrangements may provide for multiple deliverables, revenue is recognized in accordance with ASC Topic 650, Multiple Deliverable Revenue. The application of ASC Topic 650 may result in the deferral of revenue recognition for installations across the service period of the contract and the re-allocation and/or deferral of revenue recognition across various service arrangements. Below is a summary of such application of the revenue recognition policy as it relates to installation and service arrangements the Company has with its customers.

The Company enters into contractual arrangements to provide multiple deliverables which may include some or all of the following - systems installations and a variety of services related to high speed internet access, free-to-guest, video on demand and iTV systems as well as residential phone, internet and television. Each of these elements must be identified and individually evaluated for separation. The term “element” is used interchangeably with the term “deliverable” and the Company considers the facts and circumstances as it relates to its performance obligations in the arrangement and includes product and service elements, a license or right to use an asset, and other obligations negotiated for and assumed in the agreement. Analyzing an arrangement to identify all of the elements requires the use of judgment. In the determination of the elements included in Roomlinx agreements, embedded software and inconsequential or perfunctory activities were taken into consideration.

Once the Deliverables have been identified, we determine the Relative Fair Value of each Element under the concept of Relative Selling Price (RSP) for which the Company applied the hierarchy of selling price under ASC Topic 605 as follows:

VSOE - Vendor specific objective evidence is still the most preferred criteria with which to establish fair value of a deliverable. VSOE is the price of a deliverable when a company sells it on an open market separately from a bundled transaction.

TPE - Third party evidence is the second most preferred criteria with which to establish fair value of a deliverable. The measure for the pricing of this criterion is the price that a competitor or other third party sells a similar deliverable in a similar transaction or situation.

RSP - Relative selling price is the price that management would use for a deliverable if the item were sold separately on a regular basis which is consistent with company selling practices. The clear distinction between RSP and VSOE is that under VSOE, management must sell or intend to sell the deliverable separately from the bundle, or has sold the deliverable separately from the bundle already. With RSP, a company may have no plan to sell the deliverable on a stand-alone basis.

Hospitality Installation Revenues

Hospitality installations include High Speed Internet Access (HSIA), Interactive Television (iTV), Free to Guest (FTG) and Video on Demand (VOD). Under the terms of these typical product sales and equipment installation contracts, a 50% deposit is due at the time of contract execution and is recorded as deferred revenue. Upon the completion of the installation process, deferred revenue is realized. However, in some cases related to VOD installations or upgrades, the Company extends credit to customers and records a receivable against the revenue recognized at the completion of the installation.

Additionally, the Company may provide the customer with a lease financing arrangement provided the customer has demonstrated its credit worthiness to the satisfaction of the Company. Under the terms and conditions of the lease arrangements, these leases have been classified and recorded as Sale-Type Leases under ASC Topic 840-30 and accordingly, revenue is recognized upon completion and customer acceptance of the installation which gives rise to a lease receivable and unearned income.

For the years ended December 31, 2013 and 2012, the Company recorded $3,556,389 and $9,034,223 of product and installation revenue, respectively.

Hospitality Service, Content and Usage Revenues

The Company provides ongoing 24x7 support to both its hotel customers and their guests, content and maintenance as applicable to those products purchased, installed and serviced under contract. Generally, support is invoiced in arrears on a monthly basis with content and usage, which are dependent on guest take rates and buying habits. Service maintenance and usage revenue also includes revenue from meeting room services, which are billed as the events occur.

Residential Revenues

Residential revenues consist of equipment sales and installation charges, support and maintenance of voice, internet, and television services, and content provider residuals, installation commissions, and management fees. Installations charges are added to the monthly service fee for voice, internet, and television, which is invoiced in advance creating deferred revenue to be realized in the appropriate period. The Company's policy prohibits the issuance of customer credits during the month of cancelation. The Company earns residuals as a percent of monthly customer service charges and a flat rate for each new customer sign up. Residuals are recorded monthly. Commissions and management fees are variable and therefore revenue is recognized at the time of payment.

Concentrations

Credit Risk: The Company's operating cash balances are maintained in financial institutions and periodically exceed federally insured limits. The Company believes that the financial strength of these institutions mitigates the underlying risk of loss. To date, these concentrations of credit risk have not had a significant impact on the Company's financial position or results of operations.

Accounts Receivable: At December 31, 2013 and 2012, Hyatt Corporation-controlled properties represented 30% and 56%, respectively of accounts receivable, and other Hyatt properties in the aggregate represented 36% and 20%, respectively, of accounts receivable.

Revenue: For the year ended December 31, 2013 and 2012, Hyatt Corporation-controlled properties contributed 39% and 48%, respectively, and other Hyatt properties in the aggregate contributed 39% and 27%, respectively, of Roomlinx's US Hospitality revenue.

Stock Based Compensation: Roomlinx recognizes the cost of employee services received in exchange for an award of equity instruments in the financial statements and is measured based on the grant date fair value of the award. Stock option compensation expense is recognized over the period during which an employee is required to provide service in exchange for the award (generally the vesting period). The Company estimates the fair value of each stock option at the grant date by using the Black-Scholes option pricing model.

Segments: We operate and prepare our financial reports based on two segments; Hospitality and Residential. We have determined these segments based on the location, design, and end users of our products.

Hospitality: Our Hospitality segment includes hotels, resorts, and timeshare properties in the United States, Canada, and Other Foreign. As of December 31, 2013 and 2012, Other Foreign included Mexico and Aruba. The products offered under our hospitality segment include the installation of, and the support and service of, high-speed internet access networks, proprietary Interactive TV platform, free to guest programming, and on-demand movie programming, as well as advertising and e-commerce products.

Residential: Our residential segment includes multi-dwelling unit customers and business customers (non-hospitality) in the United States. The products offered include the installation of, and the support and service of, telephone, internet, and television services.

Advertising Costs: Advertising costs are expensed as incurred. During the years ended December 31, 2013 and 2012, advertising costs were $39,308 and $78,822, respectively.

Foreign Currency Translation: The US Dollar is the functional currency of the Company. Assets and liabilities denominated in foreign currencies are re-measured into US Dollars and the resulting gains and losses are included in the consolidated statement of operations as a component of other income (expense).

Earnings Per Share: The Company computes earnings per share by dividing net income (loss) by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the period. Dilutive common stock equivalents consist of shares issuable upon the exercise of the Company's stock options and warrants. Potentially dilutive securities, purchase stock options and warrants, are excluded from the calculation when their inclusion would be anti-dilutive, such as periods when a net loss is reported or when the exercise price of the instrument exceeds the fair market value. Accordingly, the weighted average shares outstanding have not been adjusted for dilutive shares. Outstanding stock options and warrants are not considered in the calculation as the impact of the potential common shares (totaling 2,423,053 and 2,628,874 as of December 31, 2013 and 2012, respectively) would be to decrease the net loss per share.

Income Taxes: The Company accounts for income taxes under the liability method in accordance with ASC 740, "Income Taxes". Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities that will result in taxable or deductible amounts in future years. Under this method, deferred tax assets and liabilities are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recorded when the ultimate realization of a deferred tax asset is considered to be unlikely.

The Company uses a two-step process to evaluate a tax position. The first step is to determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigation based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. A tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent period in which the threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not criteria should be de-recognized in the first subsequent financial reporting period in which the threshold is no longer met. The Company reports tax-related interest and penalties as a component of income tax expense.

Based on all known facts and circumstances and current tax law, the Company believes that the total amount of unrecognized tax benefits as of December 31, 2013 and 2012 is not material to its results of operations, financial condition, or cash flows. The Company also believes that the total amount of unrecognized tax benefits as of December 31, 2013 and 2012, if recognized, would not have a material effect on its effective tax rate. The Company further believes that there are no tax positions for which it is reasonably possible, based on current tax law and policy that the unrecognized tax benefits will significantly increase or decrease over the next 12 months producing, individually or in the aggregate, a material effect on the Company's results of operations, financial condition or cash flows.

The amount of income taxes the Company pays is subject to ongoing examinations by federal and state tax authorities. To date, there have been no reviews performed by federal or state tax authorities on any of the Company's previously filed returns. The Company's 2007 and later tax returns are still subject to examination.

Recently Issued and Adopted Accounting Standards: Management has evaluated recently issued pronouncements of various authoritative accounting organizations, primarily the Financial Accounting Standards Board ("FASB"), the SEC, and the Emerging Issues Task Force ("EITF") to determine their applicability and does not believe that any of these pronouncements will have a significant impact on the Company's financial statements.

2. Leases Receivable

As of December 31, 2013, the Company had leases receivable of $1,581,366 compared to $2,802,465, recorded net of an allowance for uncollectable leases receivable of $135,000, at December 31, 2012. During the years ended December 31, 2013 and 2012, the Company received payments of $923,861 and $972,627 respectively. The Company did not enter into any new leases in 2013 versus the Company entered into one lease receivable in the amount of $142,879 in 2012. These leases have initial terms of 60 months and an average interest rate of 9.5%. In addition, during the years ended December 31, 2013 and 2012, the Company recorded a loss of $73,262 and $60,211, respectively, related to the early termination of lease receivable contracts. These amounts are net of the return of equipment to inventory and are included in direct costs in the consolidated statements of comprehensive loss.

Future minimum receipts on leases receivable are as follows:

Years Ended December 31,	Minimum Receipts	
2014	$	764,878
2015		546,973
2016		250,464
2017		19,051
	$	1,581,366

3. Inventory

Inventory balances as of December 31, 2013 and 2012 are as follows:

		2013		2012
Raw materials	$	1,399,444	$	2,546,441
Work in process		154,893		882,351
		1,554,337		3,428,792
Reserve for obsolescence		(120,000)		(120,000)
Inventory, net	$	1,434,337	$	3,308,792

4. Property and Equipment

At December 31, 2013 and 2012, property and equipment consisted of the following:

	2013	2012
Leasehold improvements	$ 17,195	$ 17,195
Hospitality property equipment	479,387	745,117
Residential property equipment	351,727	351,727
Computers and office equipment	601,171	590,566
Software	141,807	141,807
	1,591,287	1,846,412
Accumulated depreciation	(1,273,801)	(1,055,539)
	$ 317,486	$ 790,873

Depreciation expense for the years ended December 31, 2013 and 2012 was $247,706 and $498,168, respectively.

As of December 31, 2013 and 2012, the total assets purchased under capital lease were $64,617 with accumulated amortization of $50,193 and $38,654, respectively. Depreciation of assets under capital lease for the years ended December 31, 2013 and 2012 was $11,539 and $10,905, respectively.

5. Asset Impairment

During 2013, the Company maintained inventories to support certain executed Hyatt hotel contracts and SOWs (Statements of Work).

The receipt of SOWs plus their respective deposits for the installation of the iTV product in approximately 4,600 rooms resulted in the Company executing purchased orders to acquire appropriate levels of inventories during the year ended December 31, 2012. Thereafter, the parties agreed to a suspension of iTV installations. During the three months ended September 30, 2013, the Company successfully completed the installation of approximately 1,000 of these rooms, which the Company believed could result in Hyatt’s release of those other properties with SOWs for its iTV product; however, there has been no further action by Hyatt. In consideration of this and other factors, as of December 31, 2013, the Company recorded a loss on asset impairment of $832,429 related to inventory. The charge is included in the loss on asset impairment on the consolidated comprehensive statement of loss for the year ended December 31, 2013.

In assessing impairment for long-lived assets we followed the provisions of ASC 360. We performed our testing of the asset group and our assessment included contractual terms and identifiable cash flows associated with providing on-going service. In performing the test, we determined that the total of the expected future undiscounted cash flows was less than the carrying value of the asset group. Therefore an impairment charge was required.

6. Notes Payable

As of December 31, 2013 and 2012, the Company had the following outstanding notes payable:

	2013	2012
Note payable to the FCC; monthly principal and interest payment of $1,188; interest at 11% per annum; and matures in August 2016.	$ 31,261	$ 41,178
Note payable, assumed as part of the acquisition of Canadian Communications on October 1, 2010, monthly principal and interest payment of $537; interest at 11% per annum; and matured in March 2013.	-	1,583
	31,261	42,761
Less: current portion	(11,065)	(10,631)
	$ 20,196	$ 32,130

Future minimum payments under notes payable are as follows:

Years ended December 31,		Minimum Payments
2014	$	11,065
2015		12,345
2016		7,851
	$	31,261

7. Line of Credit

On June 5, 2009 we entered into a Revolving Credit, Security and Warrant Purchase Agreement (the "Credit Agreement") with Cenfin LLC, an entity principally owned by significant shareholders of the Company. The Credit Agreement permits us to borrow up to $25 million until June 5, 2017. On May 3, 2013, the Company and Cenfin executed a fourth amendment to the Credit Agreement which provided Cenfin sole and absolute discretion related to funding any advance requested by Roomlinx. Advances must be repaid at the earlier of 5 years from the date of borrowing or at the expiration of the Credit Agreement. The principal balance may be repaid at any time without penalty. Borrowings accrue interest, payable quarterly on the unpaid principal and interest at a rate equal to the Federal Funds Rate at July 15 of each year plus 5% (approximately 5.09% at December 31, 2013). The Credit Agreement is collateralized by substantially all of our assets, and requires we maintain a total outstanding indebtedness to total assets ratio of less than 3 to 1.

Amounts outstanding under the Credit Agreement were $5,176,000 at December 31, 2013 and 2012. These advances will be repaid at various dates between 2014 and 2017. A total of $19,824,000 is available for future borrowings. Interest expense, exclusive of accretion of the debt discount of $342,026 and $332,121, of $257,566 and $260,221 was recorded for the years ended December 31, 2013 and 2012, respectively.

The Credit Agreement requires that, in conjunction with each advance, we issue Cenfin warrants to purchase shares of Roomlinx common stock equal to 50% of the principal amount funded divided by (i) $2.00 on the first $5,000,000 of borrowings on or after July 15, 2010 ($4,712,000 as of December 31, 2012) or (ii) thereafter the fair market value of the Company's common stock on the date of such draw for advances in excess of $5,000,000. The exercise price of the warrants is $2.00 for the warrants issued on the first $5,000,000 of borrowings made after July 15, 2010 and, thereafter, the average of the high and low market price for the Company's common stock on the date of issuance. The exercise period of these warrants expire three years from the date of issuance.

Using the Black-Scholes pricing model adjusted for a blockage discount, warrants issued during the year ended December 31, 2012 were valued at approximately $350,000 (see Note 12). The fair value of warrants issued since inception of the Credit Agreement is approximately $2,760,000 which is being amortized to earnings as additional interest expense over the term of the related indebtedness, accordingly additional interest expense of $342,026 and $332,121 was recorded for the years ended December 31, 2013 and 2012, respectively. The unamortized balance of the debt discount was $826,797 and $1,168,823 at December 31, 2013 and 2012, respectively. Borrowings outstanding are reported net of the debt discount associated with these borrowings.

Future minimum payments under the line of credit are as follows:

Years ended December 31,	Minimum Receipts
2014	$ 464,000
2015	1,232,000
2016	2,480,000
2017	1,000,000
	$ 5,176,000

As noted in management's plans, the Company has entered into a merger agreement. Upon execution of the merger, the Company is to make a $750,000 accelerated payment to the debt holder. In addition, all payments beginning in December 2014 will be pro-rated based on the accelerated payment.

8. Settlement of Royalty Payable

In November 2011, the Company entered into a revised license agreement for studio films. Under the terms of the agreement, the Company was required to pay $105,000 in four equal quarterly payments to settle all previous amounts due to a studio. In August 2012, the Company made the final payment resulting in a gain on the settlement of royalty payable in the amount of $179,834, such amount representing the excess of the accrued liability less the agreed upon settlement of $105,000. The settlement of royalty payable is included in other income on the consolidated statement of comprehensive loss for the year ended December 31, 2012.

9. Commitments and Contingencies

Operating Leases: On April 10, 2012 the Company executed a lease agreement for office space with an effective date of May 1, 2012. Terms of the lease established a base rent per square foot plus operating expenses throughout the term of the lease which expires September 30, 2015, and which includes the lessor waiving several months of base rent and pre-defined annual escalation of the base rent per square foot. Effective November 29, 2013, the parties executed a First Amendment wherein the landlord granted the Company a deferred rent period (commencing on July 1, 2013 and ending on July 31, 2014) reducing the base and additional monthly rent to $7,000, thereby deferring approximately $13,700 per month or $178,100, with such amount payable at the end of the deferred rent period, pursuant to which at December 31, 2013 approximately $82,200 was recorded in accounts payable in the accompanying consolidated balance sheet. The Company had a deferred rent liability (exclusive of that recorded in accounts payable) of $46,820 and $55,025 included in other liabilities (current and non-current) as of December 31, 2013 and 2012, respectively. The Company's future minimum lease payments are as follows: $148,585 and $114,064 for the years ending December 31, 2014 and 2015, respectively.

Capital Lease Obligations: The Company has capital lease arrangements related to the acquisition of software. These arrangements are collateralized by the software and expire at varying dates through September 2015 with future minimum lease payments as follows: $12,309 and $3,253 for the years ended December 31, 2014 and 2015, respectively, less imputed interest of $950.

10. Discontinued Operations

In September 2012, we determined not to continue investing in its proprietary traditional VOD system and to move to a third-party video on demand ("VOD") system, which resulted in the Company recording a loss on asset impairment approximating $1,112,000 (see below). In October 2013, the Company performed an analysis of VOD sales revenue at Cardinal Hospitality Ltd. ("CHL"), its wholly-owned Canadian subsidiary servicing the hospitality industry. The result was that CHL had realized a decline in sales revenue in hotels on a year over year basis, which was attributed to guest preferences such as alternative access to content available via their laptops, our decision in 2012 to not invest in upgrading old technology and the hotels not willing to purchase newer technology. Further, the Company determined CHL did not provide positive cash flow and therefore at the end of November, the Company determined to issue a notice to all CHL customers that it would no longer provide support as of December 20, 2013.

CHL properties include hotels in Canada and the Caribbean providing VOD. Under ASC 205-20-45-1, the elimination of operations result in the presentation of a loss from discontinued operations in the consolidated statements of comprehensive loss for the years December 31, 2013 and 2012.

During the three months ended September 30, 2012, the Company determined that it would no longer utilize its proprietary VOD system in future VOD service installations. Rather than invest in upgrading or refreshing its proprietary technology, the Company determined it would purchase a third-party platform for all future VOD installations. In addition, it concluded that its primary business strategy and technology development efforts will be focused on its proprietary interactive TV platform. Due to the economy class nature of the CHL properties, management determined that the interactive TV platform is not appropriate for deployment at those properties. Consequently, while services provided to the CHL properties will continue, no significant new business development will be pursued.

As a result of this strategic change we performed an evaluation as of September 30, 2012 of our long-lived assets associated with the CHL properties consisting primarily of property, plant, and equipment and property receivables. In assessing impairment for long-lived assets we followed the provisions of ASC 360. We performed our testing of the asset group at the individual property level, and our assessment included contractual terms and identifiable cash flows associated with providing on-going service.

In performing the test, we determined that the total of the expected future undiscounted cash flows directly related to services provided at the CHL properties was less than the carrying value of the asset group. Therefore, an impairment charge was required. An impairment charge of approximately $920,000 and $47,000 related to property, plant and equipment and property receivables, respectively, represented the difference between the fair values of the asset group and its carrying values and is reflected as loss on asset impairment in the consolidated statement of comprehensive income (loss) for the year ended December 31, 2012. The impairment charges resulted from the excess of the carrying value of the asset group over the fair value (calculated based on the discounted expected future cash flows associated with VOD and free to guest services during the underlying contractual period).

In addition, we performed an analysis of the value of inventory held by CHL to determine the impact of the change in business strategy, as of September 30, 2012. We determined that a write off of approximately $146,000 was required to reflect the obsolete nature of the inventory associated with VOD service. The charge is included in the loss from discontinued operations (see Note 10) in the consolidated statement of comprehensive loss for the year ended December 31, 2012.

Below is the statement of comprehensive loss related to the asset group serviced by CHL for the years ended December 31, 2013 and 2012.

	2013	2012
Hospitality services revenue	$ 356,097	$ 611,950
Direct costs (exclusive of operating expenses and depreciation shown separately below):	355,019	761,391
Selling, general and administrative	27,108	15,800
Depreciation	110,688	152,447
Loss on asset impairment	-	1,112,470
	492,815	2,042,108
Operating loss	(136,718)	(1,430,158)
Non-operating (expense) income forgiveness of debt	-	179,834
Loss from operations	(136,718)	(1,250,324)
Loss on disposal of operations	(285,785)	-
Net loss on discontinued operations	$ (422,503)	$ (1,250,324)

11. Income Taxes

At December 31, 2013, the Company has tax loss carryforwards approximating $14,000,000 that expire at various dates through 2031 (IRC Section 382 may impose limitations in available NOL carryforwards related to certain transactions which are deemed to be ownership changes, including proposed 2014 transaction described in note 17). The principal difference between the net loss for book purposes and the net loss for income tax purposes relates to expenses that are not deductible for tax purposes, including reorganization costs, impairment of goodwill, stock issued for services and amortization of debt discount.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2013, are presented below:

	2013	2012
Deferred tax assets:		
Net operating loss carry forward - federal	$ 4,852,000	$ 4,147,000
Net operating loss carry forward - state	431,000	369,000
Stock-based compensation	458,000	387,000
Property and equipment	374,000	479,000
Allowance for doubtful accounts	71,000	135,000
Other	93,000	93,000
	6,279,000	5,610,000
Valuation allowance	(6,279,000)	(5,610,000)
	$ -	$ -

At this time, the Company is unable to determine if it will be able to benefit from its deferred tax asset. There are limitations on the utilization of net operating loss carry forwards, including a requirement that losses be offset against future taxable income, if any. In addition, IRC Section 382 may impose limitations in available NOL carryforwards related to certain transactions which are deemed to be ownership changes. Accordingly, a valuation allowance has been established for the entire deferred tax asset. The increase in the valuation allowance was approximately $712,000 during 2013.

Income taxes at statutory rates are reconciled to the Company's actual income taxes as follows:

	2013	2012
Federal income tax at statutory rate of 34%	$ (1,412,000)	$ (2,514,000)
State tax net of federal tax effect	(125,000)	(222,000)
Effect of permanent differences	359,000	224,000
Asset impairment	308,000	-
Other net	201,000	(23,000)
Valuation allowance	669,000	2,535,000
	$ -	$ -

The amount of income taxes the Company pays is subject to ongoing examinations by federal and state tax authorities. To date, there have been no reviews performed by federal or state tax authorities on any of the Company's previously filed returns. The Company's 2007 and later tax returns are still subject to examination.

12. Equity

Preferred Stock: The Company has authorized 5,000,000 preferred shares with a $0.20 par value, of which 720,000 shares have been designated as Class A Preferred Stock. The Class A Preferred stock has a liquidation preference of $0.20 per share and is entitled to receive cumulative annual dividends at the rate of 9%, payable in either cash or additional shares of Class A Preferred Stock, at the option of the Company. As of December 31, 2013 and 2012, there were 720,000 shares of Class A Preferred Stock issued and outstanding. Undeclared Class A dividends accumulated and unpaid as of December 31, 2013 and 2012, were $198,120 and $185,160, respectively; these dividends are not included in accrued expenses.

Common Stock: The Company has authorized 200,000,000 shares of $0.001 par value common stock. As December 31, 2013 and 2012, there were 6,411,413 and 6,504,413 shares of common stock issued and outstanding, respectively.

During the year ended December 31, 2013, the Company granted 24,000 restricted shares of common stock at a fair market value of $2.00 per share (equal to the closing price of the Company's common stock quoted on the NASDAQ Bulletin Board Service as of the grant date) to three non-employee directors of the Company. The shares vest in equal annual installments beginning on August 27, 2013 through 2015.

As of July 31, 2013, one of the non-employee directors resigned resulting in the forfeiture of 6,000 restricted shares of common stock. During the year ended December 31, 2013, the Company recognized non-employee director compensation cost of $16,077 recorded in selling, general and administrative expenses in the consolidated statement of comprehensive loss and in accrued expenses in the accompanying balance sheet.

On May 4, 2012, the Company entered into a Securities Purchase Agreement (the "SPA") with certain investors (collectively, the "Investors"), pursuant to which the Investors purchased Units from the Company for a purchase price of $2.50 per Unit. Each Unit consisted of (x) one share of common stock of the Company and (y) a warrant to purchase one-half share of common stock at an exercise price of $3.75 per share, subject to adjustment as provided in the warrant. The Company sold and issued an aggregate of 1,200,000 shares of common stock to the Investors and issued warrants to the Investors for the purchase of an additional 600,000 shares of common stock. Subsequently on June 20, 2012, the Company sold and issued an additional 80,000 shares of common stock and 40,000 warrants to certain other investors pursuant to an amendment to the SPA. In the aggregate, the Company received net proceeds of $2,993,311 (gross proceeds of $3,200,000 less $206,689 of offering expenses) from these transactions. Proceeds from such transactions have been and will be used for general corporate and working capital purposes including deployment of the Company's iTV applications under the Master Service Agreement with Hyatt Corporation.

Management reviewed the accounting treatment for the warrants issued under the SPA and determined the warrants met the applicable requirement under ASC 815-40-25 for equity classification. Accordingly, these warrants are classified within equity as of December 31, 2012. Under the terms of a Registration Rights Agreement ("RRA") between the Company and the Investors in conjunction with the SPA, the Company filed a Form S-1 Registration Statement with the SEC on June 18, 2012, for the purpose of registering under the Securities Act the shares of common stock issued pursuant to the SPA and the shares of common stock to be issued upon exercise of the warrants issued pursuant to the SPA. Such registration statement was declared effective by the SEC on August 30, 2012.

Warrants:

During the year ended December 31, 2012, 250,000 warrants were granted pursuant to the clauses in the Cenfin Credit Agreement. The warrants were issued at an exercise price of $2.00, vested immediately, and expire 3 years from the date of grant. In addition, 640,000 warrants were issued pursuant to clauses in the Stock Purchase Agreement dated May 4, 2012 at an exercise price of $3.75, vested immediately, and expire 3 years from the grant date. No warrants were issued in the year ended December 31, 2013.

The following are assumptions utilized in estimation of the fair value of the warrants granted during the year ended December 31, 2012:

	2012
Term	3 years
Expected volatility	136% - 148%
Risk free interest rate	0.35% - 0.57%
Dividend yield	0%

The following is a summary of such outstanding warrants for the year ended December 31, 2013:

Warrants	Shares Underlying Warrants	Weighted Average Exercise Price	Weighted Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at January 1, 2013	1,542,800	$ 2.84		
Granted and Issued	-	-		
Expired/Cancelled	-	-		
Outstanding and exercisable at December 31, 2013	1,542,800	$ 2.84	1.01	$ -

Options:

In 2004, the Company adopted a long term incentive stock option plan (the "Stock Option Plan") which covers key employees, officers, directors and other individuals providing bona fide services to the Company. On December 27, 2012, subject to stockholder approval, the board of directors voted to amend the Stock Option Plan to (i) adjust the maximum allowable shares of common stock upon exercise of options which may be granted from 1,200,000 to 2,000,000 shares of common stock and (ii) remove the provision from the Stock Option Plan which provided that any shares that are surrendered to or withheld by the Company in connection with any award or that are otherwise forfeited after issuance shall not be available for purchase pursuant to incentive stock options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended. As of December 31, 2013, options to purchase 880,253 shares were outstanding. The options vest as determined by the Board of Directors and are exercisable for a period of no more than 10 years.

On January 11, 2013, the board of directors approved the grant of 30,000 Incentive Stock Options at an exercise price of $0.60 per share. These options vest ratably on the anniversary date over a three year period and expire 7 years from the grant date. The weighted average grant date fair value of such options was $1.68.

On June 14, 2013, the Company had outstanding options to purchase an aggregate of 925,027 shares of common stock, of which options to purchase 300,833 shares of common stock were Hyatt Options, when the Board determined to reduce the exercise price of a total of 354,445 of the non-Hyatt Options to $0.60 per share (the closing price of the common stock on June 14, 2013 was $0.60 per share). None of the Options subject to the exercise price reduction were Hyatt Options.

During the year ended December 31, 2012, the board of directors approved the grant of an aggregate of 516,247 Incentive Stock Options and 405,570 Non-Qualified Stock Options. Such options were issued at exercise prices between $2.00 and $2.90, vest at various times over three years, and expire 7 years from the grant date.

Pursuant to the execution of the Hyatt MSA, on March 14, 2012 the board of directors approved the grant of 500,000 stock options ("Hyatt options") at a strike price of $4.00 vesting on a pro rata basis over three years or the acceleration of such vesting rights relative to installation performance metrics at the Hyatt properties as defined by the board of directors, whichever is greater, and expiring 7 years from the date of grant. On December 27, 2012, the board of directors approved re-pricing the Hyatt options from the exercise price of $4.00 per share to $2.10 per share ($0.10 above the closing price per the NASDAQ OTC Bulletin as of that date).

The following are the assumptions utilized in the estimation of stock-based compensation related to the stock option grants for the years ended December 31, 2013 and 2012:

	2013	2012
Expected term	7 years	7 years
Expected volatility	213%	214% - 225%
Risk free interest rate	1.28%	1.11% - 1.69%
Dividend yield	0%	0%

A summary of stock option activity under the Stock Option Plan for the year ended December 31, 2013 is presented below:

	Number of Shares	Weighted Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at January 1, 2013	1,086,074	$ 2.74		
Granted	30,000	0.60		
Forfeited	(235,821)	2.17		
Outstanding at December 31, 2013	880,253	$ 1.60	1.49	$ -
Exercisable at December 31, 2013	495,209	$ 1.55	1.47	$ -

The Company recorded stock-based compensation expense of $477,214 and $526,665 for the years ended December 31, 2013 and 2012, respectively. The amounts are recorded in direct costs, operations, product development and selling, general and administrative expense in the consolidated statement of comprehensive income (loss). The fair value of stock options that vested and became exercisable during the years ended December 31, 2013 and 2012 was $299,052 and $31,897, respectively. At December 31, 2013, there was approximately $626,000 in unrecognized compensation cost related to stock options that will be recorded over a weighted average future period of approximately 2 years.

A summary of the activity of non-vested options under the Company's plan for the year ended December 31, 2013 is presented below:

	Non-vested Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2013	763,363	$ 2.16	$ 1.95
Granted	30,000	0.60	0.52
Vested	(219,502)	1.48	1.41
Forfeited	(188,817)	2.08	2.26
Non-vested at December 31, 2013	385,044	$ 1.34	$ 1.31

13. Segment Information

Financial information for our segment as of and for the years ended December 31, 2013 and 2012, is as follows:

	Hospitality	Residential	Corporate	Totals
Year ended December 31, 2013				
Revenue	$ 8,586,549	$ 861,994	$ -	$ 9,448,543
Operating loss	(986,959)	(292,108)	(1,989,653)	(3,268,720)
Depreciation expense	(106,844)	(59,012)	(81,850)	(247,706)
Stock based compensation	-	-	(477,214)	(477,214)
Loss on asset impairment	(832,429)	-	-	(832,429)
Loss on discontinued operations	(422,503)	-	-	(422,503)
Acquisition of property and equipment	-	-	16,540	16,540
Net loss	$ (1,247,632)	$ (291,108)	$ (2,615,076)	$ (4,153,816)
Year ended December 31, 2012				
Revenue	$ 12,088,861	$ 915,054	$ -	$ 13,003,915
Operating loss	(3,944,407)	(207,473)	(1,675,564)	(5,827,444)
Depreciation expense	(357,306)	(59,012)	(81,850)	(498,168)
Stock based compensation	(184,581)	(568)	(341,516)	(526,665)
Loss on asset impairment	-	-	-	-
Loss on discontinued operations	(1,250,324)	-	-	(1,250,324)
Acquisition of property and equipment	-	-	201,480	201,480
Net loss	$ (5,174,151)	$ (207,473)	$ (2,010,110)	$ (7,391,734)
As of December 31, 2013				
Total assets	$ 6,382,239	$ 223,586	$ 181,781	$ 6,787,606
As of December 31, 2012				
Total assets	$ 11,363,514	$ 286,891	$ 205,312	$ 11,855,717

Financial information of geographical data by segment as of and for the years ended December 31, 2013 and 2012, is as follows:

	United States	Canada	Other Foreign	Totals
Year ended December 31, 2013				
Hospitality:				
Product and installation	$ 3,137,766	$ 281,528	$ 137,095	$ 3,556,389
Services	4,912,804	79,449	37,907	5,030,160
Residential:				
Services	861,994	-	-	861,994
Totals	$ 8,912,564	$ 360,977	$ 175,002	$ 9,448,543
Year ended December 31, 2012				
Hospitality:				
Product and installation	$ 9,034,223	$ -	$ -	$ 9,034,223
Services	2,888,518	41,873	124,247	3,054,638
Residential:				
Services	915,054	-	-	915,054
Totals	$ 12,837,795	$ 41,873	$ 124,247	$ 13,003,915
As of December 31, 2013				
Total assets	$ 6,669,827	$ -	$ 117,779	$ 6,787,606
As of December 31, 2012				
Total assets	$ 11,222,082	$ 527,920	$ 105,715	$ 11,855,717

14. Arista Communications, LLC.

Roomlinx, Inc. has a 50% joint venture ownership in, and manages the operations for Arista Communications, LLC ("Arista"). The other 50% of Arista is owned by Wiens Real Estate Ventures, LLC, a Colorado limited liability company ("Weins"). Roomlinx acquired its 50% interest in Arista through its acquisition of Canadian Communications, LLC, on October 1, 2010.

Arista provides telephone, internet, and television services to residential and business customers located in the Arista community in Broomfield, Colorado. As the operations manager for Arista, in accordance with ASC 810, Consolidation, the Company determined that Arista is a variable interest entity that must be consolidated, Roomlinx reports 100% of Arista revenues and expenses in its statement of comprehensive income (loss) and 100% of Arista assets, liabilities, and equity transactions on its balance sheet. Roomlinx then records the non-controlling interest allocation.

Financial information for Arista Communications, LLC, for the years ended December 31, 2013 and the 2012 is as follows:

		2012		2012
Revenue	$	76,690	$	92,374
Direct Costs		(65,690)		(66,378)
Operating expense		(35,147)		(37,523)
Net loss	$	(24,147)	$	(11,527)

Weins' share of the net loss is $12,074 and $5,763 for the years ended December 31, 2013 and 2012, respectively.

15. Contingent Liabilities

The Company is in receipt of a letter from Technology Integration Group ("TIG") demanding payment of approximately $2,430,000 with respect to inventory and services which the Company purchased from TIG. As of December 31, 2013 and 2012, the Company had approximately $2,100,000 (net of payments made in 2013) and $2,430,000, respectively, recorded in accounts payable in the accompanying consolidated balance sheets. TIG subsequently filed an action in California State Court although the Company has not yet been served in such action. The Company believes that it has meritorious defenses and counterclaims in respect of TIG's claim. The Company intends to pursue a settlement of all claims with TIG and is in discussions with TIG in respect thereof.

The Company is in receipt of a request for indemnification from Hyatt in connection with a case brought in US Federal Court in California by Ameranth, Inc., against, among others, Hyatt. In connection with such case, the plaintiffs have identified the Company's e-concierge software as allegedly infringing Ameranth's patents. The Company licenses the e-concierge software from a third party and accordingly has made a corresponding indemnification request to such third party. The Company believes that any such claim may also be covered by the Company's liability insurance coverage and accordingly the Company does not expect that this matter will result in any material liability to the Company.

The Company is in receipt of a District Court Civil Summons, dated August 23, 2013, in the matter of "ScanSource v. Roomlinx, Inc.", commenced in the District Court of Greenville County, South Carolina (the "Action"). The plaintiffs in the Action claim that the Company owes them approximately $473,000 with respect to inventory which the Company purchased. The amount is recorded in accounts payable in the accompanying consolidated balance sheets as of December 31, 2013 and 2012. The Company intends to pursue a settlement of all claims.

The Company is in receipt of a letter from the BSA Software Alliance ("BSA") in connection with copyright infringement of computer software products alleging the unauthorized duplication of various computer software products. BSA has threatened to file an action against the Company if it does not timely respond to its request for an internal audit. The Company intends to review BSA's claims and respond appropriately.

The Company is in receipt of a letter from an attorney representing a past employee claiming retaliation and discrimination in connection with the termination of his employment seeking damages approximating $85,000. No claim has been file with the District Court. The Company rejects these charges and should it be served with a summons, the Company will vigorously defend its position.

Other than the foregoing, no material legal proceedings to which the Company (or any officer or director of the Company, or any affiliate or owner of record or beneficially of more than five percent of the Common Stock, to management's knowledge) is party to or to which the property of the Company is subject is pending, and no such material proceeding is known by management of the Company to be contemplated.

16. Related Party Transactions

Effective July 25, 2012, Roomlinx entered into a consulting arrangement for marketing services with TRG, Inc., an entity owned by Michael S. Wasik, the CEO and Chairman of Roomlinx. The marketing services were to be performed by Chris Wasik, the wife of Mr. Wasik. As of December 31, 2012, Roomlinx had paid TRG $94,950 for services performed in accordance with said arrangement. At the beginning of December 2012, Chris Wasik became an employee of Roomlinx as its Director of Marketing with a salary of $85,000 per annum, effectively severing the consulting arrangement with TRG. Subsequently in December 2013, Ms. Wasik assumed responsibility for the Company's call center at which time her salary was increased to $101,400. For the year ended December 31, 2013, Ms. Wasik was paid $88,275 as an employee of the Company.

The wife of Jason Andrew Baxter, the Company's Chief Operating Officer, provides certain contract and financial services to the Company through Baxter Facilities, LLC, a limited liability company co-owned by Mr. Baxter. The Company has paid Baxter Facilities, LLC $23,448 and $46,321 for its services for the years ended December 31, 2013 and 2012.

17. Subsequent Event

The Company is in receipt of a District Court Civil Summons, dated May 29, 2012, in the matter of "CLC Networks, Inc. and Skada Capital, LLC v. Roomlinx, Inc.", commenced in the District Court of Boulder County, Colorado (the "Action"). The plaintiffs in the Action claimed that the Company owed them certain unpaid sales commissions, including with respect to Hyatt Corporation in connection with that certain Master Services and Equipment Purchase Agreement, as described in the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on March 13, 2012.

Effective February 3, 2014, the parties executed a Compromise and Settlement Agreement (the "Settlement Agreement") in which the parties mutually agreed to all of its contents and the consideration transferred does not in any way constitute an admission of disputed facts. Under the terms of the Settlement Agreement, the Company agrees to consideration in an amount of $106,528, such payment to consist of nineteen equal installments approximating $5,607 with the first payment due on March 15, 2014 and the final payment due on September 15, 2015. Upon receipt of the final payment the plaintiff in the Action will take such action as necessary to dismiss the Action. As of December 31, 2013, the consideration is recorded in accrued expenses on the consolidated balance sheet.

On March 14, 2014, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") with Signal Point Holdings Corp. ("Signal Point") and Roomlinx Merger Corp., a wholly-owned subsidiary of the Company ("Merger Subsidiary"). Upon the terms and subject to the conditions set forth in the Merger Agreement, the Merger Subsidiary will be merged with and into Signal Point, a provider of domestic and international telecommunications services, with Signal Point continuing as the surviving entity in the merger. Simultaneous with the effective time of the merger, the Company will affect a reverse split of its common stock utilizing a ratio resulting in the Company having 600,000 shares of common stock issued and outstanding following the reverse stock split.

The effect of the merger will result in the owners of Signal Point holding 86% of the Company's common stock at the date of the transaction and the holders of the Company's stock immediately prior to the transaction owning 14%. Cenfin, LLC, a secured lender of the Company, will receive a currently undetermined number of shares to be included in the 14% ownership. The preferred shareholders will receive payments with respect to their shares (currently undetermined) and upon execution of the merger, there will be no shares of the Company's preferred stock outstanding. In addition, upon merger, all outstanding options immediately prior to the transaction will be terminated.

All conditions included in the Merger Agreement must be completed (some of which require approval of the Company's shareholders) in order for the merger to be executed. Upon completing all conditions, the Company will receive a cash contribution from Signal Point of $1,000,000 (subject to certain use limitations) at the closing of the merger. Upon execution, the Company will have certain obligations including an accelerated debt payment of $750,000 (see Note 7), payments to preferred stock holders, and bonus payments of approximately $500,000 to certain officers of the Company in accordance with employment agreements which will only be incurred and become due upon completion of the merger.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were inadequate as of the end of the period covered by this annual report.

Management's Report on Internal Control over Financial Reporting

Our Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Management assessed the effectiveness of the Company's internal control over its financial reporting as of December 31, 2013. In undertaking this assessment, management used the criteria established by the Committee of the Sponsoring Organizations (COSO) of the Treadway Commission contained in the Internal Control—Integrated Framework.

As of December 31, 2013, based on management's assessment as described above, we have determined that the Company did not maintain effective controls over financial reporting. Specifically, due to the limited number of individuals within our accounting and finance department and department turn-over in the fourth quarter, we had a lack of adequate resources, including headcount, to ensure timely identification, resolution and recording of accounting matters. Since these controls have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness in internal control over financial reporting. . As of December 31, 2013, the Company has implemented certain internal control procedures related to the purchase order cycle and review procedures to address timely identification of accounting matters. We will continue to implement appropriate processes and measures to remediate this material weakness. A search for permanent Chief Financial Officer is under way.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during our fiscal quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

The Company entered into a Merger Agreement with Signal Point on March 14, 2014, pursuant to which a wholly-owned subsidiary of the Company will merge with and into Signal Point. In the event of the consummation of the merger and the restructuring of the Company contemplated by the Merger Agreement (including a reverse split of the Company's common stock utilizing a ratio resulting in the Company having 600,000 shares of outstanding common stock), the business operations of the Company and Signal Point will be combined, and the Company will be owned 14% by current security holders of the Company and 86% by current security holders of Signal Point. On March 17, 2014, the Company filed a Current Report on Form 8-K and a preliminary proxy statement on Schedule 14A, each of which describes the terms of the merger and the material provisions of the Merger Agreement. For a detailed summary of the merger with Signal Point, see the section entitled "Recent Developments" in Item 1 to this Annual Report on Form 10-K.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND COROPORATE GOVERNANCE

The Board of Directors has an Audit Committee and a Compensation Committee. During the fiscal year ended December 31, 2013, the full Board of Directors met eight times, the Audit Committee met five times and the Compensation Committee met three times. During 2013, all directors attended at least 75% of the meetings of the Board of Directors and the committees thereof on which they served. The Company encourages each member of the Board of Directors to attend each annual meeting of stockholders.

Each member of the Audit and Compensation Committees has been determined to be independent as discussed below under Independence of Directors. The following table sets forth the names, positions and ages of our executive officers and directors as of March 30, 2014; directors serve until the next annual meeting of stockholders or until their successors are elected and qualify. Officers are elected by the board of directors and their terms of offices are, except to the extent governed by employment contracts, at the discretion of the board of directors. There is no family relationship between any director, executive officer or person nominated or chosen by the Company to become a director or executive officer.

Name	Age	Position
Michael S. Wasik	44	CEO and Chairman
Alan Fine	60	Interim Principal Accounting Officer and Interim CFO
Jason A. Baxter	36	COO
Carl R. Vertuca, Jr.	66	Director
Erin L. Lydon	44	Director

Michael S. Wasik has served as the Company's Chief Executive Officer and member of the Board of Directors since November 2, 2005. Mr. Wasik joined the Roomlinx Executive Management team in August of 2005 after executing the merger of his company, SuiteSpeed, with Roomlinx. During Mr. Wasik's first three years as CEO, he successfully restructured Roomlinx' balance sheet, eliminating debt and raising just under ten million dollars in debt and equity financing. He also took Roomlinx from a non-reporting, pink sheet company to a fully reporting company with the SEC currently trading on the OTC exchange. Currently Mr. Wasik is responsible for leading Roomlinx, which includes the development and market penetration of Roomlinx' newest product, Roomlinx Interactive TV.

Prior to the Roomlinx merger, Wasik was the CEO/Founder of SuiteSpeed Inc. a wireless Internet provider within the hospitality market. Having launched SuiteSpeed in late 2002, Wasik was responsible for defining technology architecture, market direction, and the overall vision for this fast growing WiFi company. Wasik expanded the company's geographical coverage from its Denver backyard to serving hotel chains and independents across the U.S. Under his direction, SuiteSpeed was on Mercury's top 100 fastest growing companies list for 2003 and 2004.

Wasik is also the Founder and Chairman of the Board of TRG Inc., an IT consulting company. Having launched TRG in late 1997 with no outside funding, Mr. Wasik was responsible for the overall sales and marketing effort, and defined TRG's overall vision. Under his leadership, the company achieved average growth of 300% per year, over the first four years with positive EBITDA. Mr. Wasik expanded the company's billable resources from 6 consultants in 1997 to 60 consultants in 2000 serving Fortune 500 corporations across the U.S. Mr. Wasik has managed over 60 people in 4 offices throughout the United States.

Mr. Wasik was nominated for the 2005 Ernst and Young Entrepreneur of the Year award.

Alan Fine previously served as the Chief Financial Officer of Pearlstine Distributors, a privately held distributor of Anheuser Busch, Samuel Adams, Heineken, New Belgium and other craft beers to the Charleston, South Carolina market from 2008 through 2011. In addition to serving as the Chief Financial Officer, during his first year with Pearlstine Distributors, Mr. Fine served as the Director of Operations with respect to the re-engineering of warehouse operations and overseeing certain warehouse additions. Mr. Fine joined the Company in 2011, assuming the role of Vice President of Finance and in January 2013 was appointed as interim Chief Financial Officer and interim Principal Accounting Officer of the Company.

Jason Andrew Baxter previously served as a Finance Director of CH2M Hill Limited, an engineering construction company from 2004 through 2009. From 2009 through 2010, Mr. Baxter was employed as an Operations and Finance Director of Echostar Corporation, a telecommunications company. Mr. Baxter has also served as an Advisor for WestBridge Terminals, LLC since 2010 and as an Advisor for Cianbro Construction, LLC since 2011. Mr. Baxter was retained as a Vice President of the Company in May of 2012 and was appointed as an Executive Vice President of the Company in December of 2012. In January of 2013, Mr. Baxter was appointed as Chief Operating Officer of the Company.

Carl R. Vertuca, Jr. previously served as the Executive Vice President of Finance, Administration and Corporate Development at the DII Group Inc. from March 1993 to April 2000. Mr. Vertuca was instrumental in sale of the DII Group to Flextronics Holdings USA, Inc. in April 2000 for more than $4 billion. Prior to the DII Group, Mr. Vertuca held various senior level management positions in manufacturing, engineering and finance at IBM Corporation and StorageTek Corporation. In addition, Mr. Vertuca has served on multiple company boards and served as the chairman of the audit committee at both public and private companies. Mr. Vertuca received his Associate of Science Degree in Mechanical Engineering, Bachelor of Science Degree in Business and a Master of Business Administration Degree from the University of Kentucky.

Erin L. Lydon is a Director at Marbles: The Brain Store, a national retailer based in Chicago. Previously, she served as a Vice President at the JP Morgan Private Bank where she oversaw $400 million in assets. Prior to joining JP Morgan, she was the Director of Development at Northwestern Memorial Foundation where she led fundraising initiatives for 17 community organizations comprised of 525 board members, representing Chicago's leading executives in legal, finance, medical and manufacturing professions. As the Foundation's youngest appointed director, she consulted and negotiated with hospital senior management, physicians and board leadership on philanthropic priorities and strategies. Erin earned her Master of Business Administration Degree in Finance from the Kellogg School of Management at Northwestern University in 1999. She graduated cum laude from Bates College in 1992 with a Bachelor of Arts in English. She has served on several non-profit committees including the Bates College Alumni Council.

Independence of Directors

The Board of Directors has determined that Carl R. Vertuca, Jr. and Erin L. Lydon are "independent" as defined in NASDAQ Marketplace Rule 4200.

Involvement in Certain Legal Proceedings

To our knowledge, none of our directors or executive officers has during the past ten years (i) been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (ii) had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time; (iii) been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity; (iv) been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated; (v) been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or (vi) been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

AUDIT COMMITTEE

The Company has an Audit Committee of the Board of Directors, the current members of which are Carl R. Vertuca, Jr. and Erin L. Lydon. The Audit Committee has the following principal duties: (i) reviewing with the independent outside auditors the plans and results of the audit engagement; (ii) reviewing the adequacy of the internal accounting controls and procedures; (iii) monitoring and evaluating the financial statements and financial reporting process; (iv) reviewing the independence of the auditors; and (v) reviewing the auditors' fees. As contemplated by the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated by the Securities and Exchange Commission there under, the Audit Committee has assumed direct responsibility for the appointment, compensation, retention and oversight of our independent auditors in accordance with the timetable established with the Securities and Exchange Commission. The Audit Committee has been established in accordance with the provisions of the Sarbanes-Oxley Act.

AUDIT COMMITTEE FINANCIAL EXPERT

Carl R. Vertuca, Jr. is the Company's Audit Committee Chairman and financial expert.

Audit Committee Report

Management is responsible for the Company's internal control and financial reporting process, and for making an assessment of the effectiveness of the Company's internal control over financial reporting. GHP Horwath, P.C. is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). The Audit Committee's responsibility is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing and financial reporting practices of the Company.

The Audit Committee has reviewed and discussed the Company's consolidated financial statements with management and with GHP Horwath, P.C., the Company's independent registered public accountants. Management has represented to the Audit Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles. Also the Audit Committee discussed with GHP Horwath, P.C. the matters required to be discussed by Statement on Auditing Standards No. 61, as amend (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Accounting Oversight Board ("PCAOB") in Rule 3200T. The Audit Committee has also received from GHP Horwath, P.C. the written communication and the letter required by applicable requirements of the PCAOB regarding GHP Horwath, P.C.'s communication with the Audit Committee concerning independence. The Audit Committee has discussed with GHP Horwath, P.C. their independence, the Committee took into consideration the amount and nature of the fees paid to this firm for non-audit services.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the December 31, 2013 audited financial statements be included in the Company's Annual Report on Form 10-K for 2013.

AUDIT COMMITTEE

Carl R. Vertuca, Jr.
Erin Lydon
Dated March 30, 2014

COMPENSATION COMMITTEE

The Compensation Committee is responsible for providing assistance to the Board in the discharge of its responsibilities relating to compensation and development of the Company's Chief Executive Officer and other executive officers. In addition, the Compensation Committee reviews, adopts, terminates, amends or recommends to the Board the adoption, termination or amendment of equity-based employee plans, incentive compensation plans and employee benefit plans, as further described in the Compensation Committee Charter. The Compensation Committee may use a compensation consultant to assist in the evaluation of Chief Executive Officer or executive officer compensation. The Compensation Committee has the sole authority to retain and terminate any compensation consultant and to approve the consultant's fees and other retention terms. The members on the Compensation Committee are Ms. Lydon and Mr. Vertuca.

None of the members of the Board who served on the Compensation Committee in 2013 has interlocking relationships as defined by the SEC or had any relationships requiring disclosure by Roomlinx under the SEC's rules requiring disclosure of certain relationships and related party transactions. In 2013, Mr. Wasik participated in all discussions regarding salaries and incentive compensation for all of our executive officers, except during discussions regarding his own salary and incentive compensation. Mr. Wasik made suggestions or recommendations during these discussions; however, all deliberations and determinations regarding the compensation of our executive officers were made solely by the Compensation Committee.

CODE OF ETHICS

The Company has adopted a code of ethics that applies to the Company's chief executive officer, chief financial officer, principal accounting officer or controller and persons performing similar functions. The Company shall provide to any person, without charge, upon request, a copy of such request. Any such request may be made by sending a written request for such code of ethics to: Roomlinx, Inc., 11101 W 120th Avenue, Suite 200, Broomfield, CO 80021, Attn: Michael S. Wasik, Chief Executive Officer.

Communicating with the Board

Stockholders may communicate directly with the Board of Directors. All communications should be directed to the Company's Secretary at 11101 W 120th Avenue, Suite 200, Broomfield, CO 80021 and should prominently indicate on the outside of the envelope that it is intended for the Board of Directors or for non-management directors. Each communication intended for the Board of Directors and received by the Secretary which is not otherwise commercial in nature will be forwarded to the specified party following its clearance through normal security procedures.

Review of Related Party Transactions

The Company does not employ specific procedures for the review, approval or ratification of related party transactions involving directors, nominees for directors, executive officers and their immediate family members, but considers such transactions on a case-by-case basis as they arise. However, the audit committee reviews any related party transaction in excess of $120,000.

Board Compensation

Employees of Roomlinx did not receive any additional compensation for serving as members of the Board or any of its committees in 2013. At the Board meeting held on December 27, 2012, the Board determined to compensate its non-employee directors beginning in 2013, resulting in the January 1, 2013 grant of 24,000 shares of restricted stock at a fair market value of $2.00 per share (equal to the closing price of the Company's common stock quoted on the NASDAQ Bulletin Board Service as of the grant date) to three non-employee directors of the Company. The shares vest in equal annual installments beginning on August 27, 2013 through 2015. The allocation of restricted stock granted was as follows: 6,000 shares per non-employee director, 2,000 shares per Audit Committee member and 2,000 shares to the Audit Committee chairman. As of July 31, 2013, one of the non-employee directors resigned resulting in the forfeiture of 6,000 restricted shares of common stock.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors and persons who own more than 10 percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. During and/or with respect to the fiscal year ended December 31, 2013, (i) Michael S. Wasik, the CEO and Chairman of the Company, filed two Form 4s reporting a total of four transactions on a timely basis, (ii) Matthew Hulsizer, a beneficial owner of more than ten percent of the Company's Common Stock, filed one Form 4 reporting a total of ten transactions on a non-timely basis, and (iii) Jennifer Just, a beneficial owner of more than ten percent of the Company's Common Stock, filed one Form 4 reporting a total of ten transactions on a non-timely basis. Other than as disclosed in the previous sentence, to the Company's knowledge, no director, officer or beneficial owner of more than ten percent of any class of registered equity securities of the Company failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the fiscal year ended December 31, 2013.

ITEM 11. EXECUTIVE COMPENSATION

EXECUTIVE AND DIRECTOR COMPENSATION

Summary Compensation Table

The following table sets forth the cash and non-cash compensation for awarded to or earned by (i) each individual serving as our chief executive officer during the fiscal years ended December 31, 2013 and 2012, and (ii) each other individual that served as an executive officer at the conclusion of the fiscal year ended December 31, 2013 and 2012, and who received in excess of $100,000 in the form of salary and bonus during such fiscal year (collectively, the "named executive officers").

Name and Principle Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Stock Based Compensation ($)(1)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Michael S. Wasik, CEO	2013	200,000	-	-	-	-	-	-	200,000
Michael S. Wasik, CEO	2012	159,900	-	-	351,555	-	-	-	511,455
Jason A. Baxter, COO	2013	150,000	-	-	6,000	-	-	-	156,000
Robert Wagener, EVP of Sales	2013	150,000	-	-	-	-	-	-	150,000
Alan Fine, interim CFO	2013	108,000	-	-	-	-	-	-	108,000

(1) The amounts in this column represent the aggregate stock based compensation recorded for each individual in the years ended December 31, 2013 and 2012.

Executive Employment Arrangements

Pursuant to an Employment Agreement dated as of June 5, 2009, Michael S. Wasik continues to serve as our Chief Executive Officer and Chairman of the Board of Directors. At a Board meeting held on December 27, 2012, the Board approved an increase in Mr. Wasik's base compensation per his Employment Agreement from $150,000 to $200,000 effective on January 1, 2013.

On August 29, 2013, the Company entered into an Amended and Restated Employment Agreement ("Restated Employment Agreement") with Mr. Wasik. The Restated Employment Agreement amended and restated Mr. Wasik's employment agreement dated as of June 5, 2009, as amended. The terms of the Restated Employment Agreement is identical to the terms of his original employment agreement with the Company, as disclosed in our Current Report on Form 8-K filed with the Securities and Exchange Commission on June 11, 2009, as thereafter amended, except that (i) the definition of a "Sale of the Company" has been clarified to mean any transaction or related series or combination of transactions whereby, directly or indirectly, control of a majority (defined as greater than 50% of the outstanding voting capital stock of Roomlinx) of the equity interests of Roomlinx (or any direct or indirect parent of Roomlinx), or the majority of Roomlinx's business or assets is acquired, leased or licensed by a third party in a sale or exchange of stock, merger or consolidation, sale, lease or license of assets or joint venture (regardless of whether Roomlinx has control of said joint venture or is a minority owner), including by way of an exchange or tender offer, a leveraged buyout, a recapitalization, restructuring or reorganization of Roomlinx; and (ii) in connection with a Sale of the Company, Mr. Wasik will receive a bonus payment equal to one year of Mr. Wasik's then current base salary.

In addition, Mr. Wasik is eligible for payment of a bonus based on his performance, as, when and in an amount determined by the Compensation Committee and/or the Board of Directors. Assuming the achievement of all relevant performance criteria and established milestones, Mr. Wasik will have a target annual bonus of at least 100% of his base salary plus an incentive stock option to purchase 100,000 shares of our Common Stock.

The Employment Agreement may be terminated at any time by either the Company or Mr. Wasik; provided, however, that in the event Mr. Wasik terminates for "Good Reason" or the Company terminates without "Cause", each as defined in the Employment Agreement, then Mr. Wasik shall, on the fulfillment of certain conditions, be entitled to severance compensation equal to twelve (12) months' salary.

On August 29, 2013, the Company entered into Employment Agreements (the "Agreements") with Jason Andrew Baxter, our Chief Operating Officer, and Robert Wagener, our Executive Vice President of Sales and Marketing. Terms of the Agreements are identical and grant a starting salary of $150,000 per year and entitle the employee to be eligible for a discretionary performance based bonus. In addition, under the terms of the Agreements, and in connection with a sale of the Company, consistent with the definition of a "Sale of the Company" under Mr. Wasik's Restated Employment Agreement, Mr. Baxter and Mr. Wagener will receive a bonus payment equal to one year of their then current base salary.

Outstanding Equity Awards At Fiscal Year-End (Fiscal Year-End December 31, 2013)

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Michael S. Wasik	100,000	-	-	$ 2.00	11/20/16	-	$ -	-	$ -
Michael S. Wasik (1)	100,000	-	-	$ 0.60	06/05/16	-	$ -	-	$ -
Michael S. Wasik (1)	3,378	-	-	$ 0.60	04/11/17	-	$ -	-	$ -
Michael S. Wasik	117,500	78,333	-	$ 2.10	03/13/19	-	$ -	-	$ -
Michael S. Wasik (1)	23,600	15,733	-	$ 0.60	06/05/19	-	$ -	-	$ -
Michael S. Wasik (1)	10,000	6,667	-	$ 0.60	12/17/19	-	$ -	-	$ -
Michael S. Wasik	60,000	40,000	-	$ 2.00	12/26/19	-	$ -	-	$ -
Jason A. Baxter (1)	20,000	13,333	-	$ 2.10	05/09/19	-	$ -	-	$ -
Jason A. Baxter (1)	30,000	20,000	-	$ 2.10	12/17/19	-	$ -	-	$ -
Jason A. Baxter (1)	5,833	3,889	-	$ 2.00	12/26/19	-	$ -	-	$ -
Jason A. Baxter	10,000	10,000	-	$ 0.60	01/11/20	-	$ -	-	$ -
Robert Wagener (1)	5,000	-	-	$ 0.60	07/20/15	-	$ -	-	$ -
Robert Wagener (1)	12,000	-	-	$ 0.60	02/22/16	-	$ -	-	$ -
Robert Wagener (1)	1,688	-	-	$ 0.60	04/11/17	-	$ -	-	$ -
Robert Wagener	100,000	66,667	-	$ 2.10	03/13/19	-	$ -	-	$ -
Robert Wagener (1)	11,800	7,867	-	$ 0.60	06/05/19	-	$ -	-	$ -
Robert Wagener (1)	37,500	25,000	-	$ 0.60	12/26/19	-	$ -	-	$ -
Alan Fine	15,000	10,000	-	$ 2.10	03/13/19	-	$ -	-	$ -
Alan Fine (1)	1,967	1,311	-	$ 0.60	06/05/19	-	$ -	-	$ -
Alan Fine (1)	10,000	6,667	-	$ 0.60	12/26/19	-	$ -	-	$ -

(1) Effective June 14, 2013, the Board of Directors determined to reduce the option exercise price to $0.60 per share, the closing price of common stock on said date.

Director Compensation Table – Fiscal Year-End December 31, 2013

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Michael Wasik	-	-	-	-	-	-	-
Judson Just	-	-	-	-	-	-	-
Carl R Vertuca, Jr.	-	20,000	-	-	-	-	20,000
Erin Lydon	-	16,000	-	-	-	-	16,000
Jay Coppoletta [2]	-	12,000	-	-	-	-	12,000

(1) During 2013, the Company awarded restricted shares of common stock at a fair market value of $2.00 per share to non-employee members of the Board of Directors. The shares vest in equal installments beginning on August 27, 2013 through 2015.

(2) As of July 31, 2013, Mr. Coppoletta resigned resulting in the forfeiture of his restricted shares of common stock.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following tables set forth certain information regarding the beneficial ownership of our common stock and preferred stock as of March 15, 2014, by (i) each person who is known by us to be the beneficial owner of more than 5% of our outstanding common stock or preferred stock; (ii) each of our directors and executive officers; and (iii) all of our directors and executive officers as a group. In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person under options or warrants exercisable within 60 days of March 15, 2014 are deemed beneficially owned by such person and are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other stockholders.

COMMON AND CLASS A PREFERRED STOCK

Name and Address	Number of Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned	Number of Shares of Class A Preferred Stock Beneficially Owned	Percent of Class A Preferred Stock Beneficially Owned
Michael S. Wasik [(1)]	611,779	9.1%	0	*
Carl R. Vertuca, Jr.	3,333	*	0	*
Erin L. Lydon	2,667	*	0	*
Bob Wagener	105,720	1.6%	0	*
Jason A. Baxter	18,611	*	0	*
Alan Fine	14,645	*	0	*
Matthew Hulsizer [(2)] c/o Roomlinx, Inc. 11101 W 120th Avenue Broomfield, CO 80021	2,315,581	31.8%	0	*
Jennifer Just [(3)] c/o Roomlinx, Inc. 11101 W 120th Avenue Broomfield, CO 80021	2,317,081	31.8%	0	*
Verition Multi-Strategy Master Fund Ltd. [(4)] c/o Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	694,793	10.7%	0	*
Lewis Opportunity Fund [(5)] c/o Lewis Asset Management 500 5th Avenue - Suite 2240 New York, New York 10111	604,379	9.4%	0	*
All executive officers and directors (6 persons)	756,755	11.1%	0	*

* less than 1%

(1) Includes (i) 291,100 outstanding shares owned by Mr. Wasik, (ii) options to purchase 100,000 shares at $2.00 per share which expire on November 20, 2013, (iii) options to purchase 100,000 shares at $0.60 per share which expire on June 5, 2016, (iv) options to purchase 3,378 shares at $0.60 per share which expire on April 12, 2017 (v) options to purchase 78,334 shares at $2.10 per share which expire on April 14, 2019, (vi) options to purchase 15,734 shares at $0.60 per share which expire on June 6, 2019, (vii) options to purchase 3,333 shares at $0.60 which expire December 18, 2019, and (viii) options to purchase 20,000 shares at $2.00 which expire December 27, 2019. Does not include (i) options to purchase 39,166 shares at $2.10 per share which vest on March 14, 2015, subject to certain performance metrics determined by the Board of Directors relating to the rollout of Roomlinx's iTV system in Hyatt hotel rooms, (iii) options to purchase 7,866 shares at $0.60 per share which vest on June 6, 2015, and expire on June 6, 2019, (iv) options to purchase 6,667 shares at $0.60 per share which vest equally on December 18, 2014 and 2015, and expire on December 18, 2019 and (v) options to purchase 40,000 shares at $2.10 per share which vest equally on December 27, 2014 and 2015, and expire on December 27, 2019. Mr. Wasik disclaims beneficial ownership of 9,000 options granted to his wife as follows: (i) options to purchase 5,000 shares at $0.60 which vest equally on December 18, 2013, 2014 and 2015, and expire on December 18, 2019 and (ii) options to purchase 4,000 shares at $0.60 which vest equally on December 27, 2013, 2014 and 2015.

(2) Includes (i) 976,140 shares of Common Stock jointly owned with Jennifer Just, (ii) 42,441 shares of Common Stock owned by the Hulsizer Descendant Trust, (iii) 424,000 shares of Common Stock owned by Cenfin LLC, an affiliate of Jennifer Just, (iv) warrants owned by Cenfin LLC expiring at various dates between March 16, 2015 and October 31, 2014 to purchase 870,000 shares of Common Stock at $2.00 per share, and (v) 3,000 shares held as Custodian for the benefit of his child.

(3) Includes (i) 976,140 shares of Common Stock jointly owned with Matthew Hulsizer (ii) 42,441 shares of Common Stock owned by the Just Descendant Trust, (iii) 424,000 shares of Common Stock owned by Cenfin LLC, an affiliate of Jennifer Just, (iv) warrants owned by Cenfin LLC expiring at various dates between March 16, 2015 and October 31, 2014 to purchase 870,000 shares of Common Stock at $2.00 per share, and (v) 4,500 shares held as Custodian for the benefit of her children.

(4) Includes (i) 410,518 shares owned by Verition Multi Strategy Master Fund Ltd. (the "Fund"), (ii) 164,695 shares owned by Wilmot Advisors LLC, and (iii) 53,180 shares owned by Ricky Soloman, (iv) warrants owned by Verition expiring on May 3, 2015 to purchase 50,000 shares of common stock at $3.75 per share, and (v) warrants owned by Ricky Soloman expiring on May 3, 2015 to purchase 15,000 shares of common stock at $3.75 per share. Verition serves as the investment manager to the Fund and in such capacity may be deemed to have voting and dispositive power over the shares held for the Fund. Nicholas Maounis is the managing partner of Verition and Ricky Soloman is the managing partner of Wilmot.

(5) Includes (i) 616,551 shares owned by Lewis Opportunity Fund and (ii) 57,894 shares owned by Lewis Opportunity Fund LP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Roomlinx or one of our subsidiaries may occasionally enter into transactions with certain "related persons." Related persons include our executive officers, directors, nominees for directors, a beneficial owner of 5% or more of our common stock and immediate family members of these persons. We refer to transactions in which the amount involved exceeded or is expected to exceed the lesser of $120,000 or one percent of the average of the Company's total assets at year end for the last two completed fiscal years and in which the related person has a direct or indirect material interest as "related person transactions." Each related person transaction must be approved or ratified in by the Audit Committee of the Board of Directors.

The Company's policy with regards to Related Person Transactions requires that where a transaction has been identified as a related person transaction, the Audit Committee (but only non-interested members) must approve or ratify it. Management must present to such non-interested members of the Audit Committee a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to the Company of the transaction and whether any alternative transactions were available. To identify Related Person Transactions, the Company relies on information supplied by its executive officers and Directors. In the event a Director has an interest in the proposed transaction, the Director must recuse himself or herself from the deliberations and approval. In determining whether to approve, ratify or reject a related person transaction, the non-interested members of the Audit Committee look at, in light of known circumstances, whether the transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders, as determined by them in the good faith exercise of their discretion.

The Audit Committee considers all relevant factors when determining whether to approve a related person transaction including, without limitation, the following:

- the size of the transaction and the amount payable to a related person;
- the nature of the interest of the related person in the transaction;
- whether the transaction may involve a conflict of interest, risk or cost;
- the terms of the transaction;
- the impact on a Director's independence in the event the related person is a director, immediate family member of a Director or an entity with which a Director is affiliated; and
- whether the transaction is on terms that would be available in comparable transactions with unaffiliated third parties.

Executive officer or director compensation which has been approved by the Compensation Committee of the Board of Directors is not considered a Related Party Transaction.

On June 5, 2009 we entered into a Revolving Credit, Security and Warrant Purchase Agreement (the "Credit Agreement") with Cenfin LLC, an entity principally owned by significant shareholders of the Company. The Credit Agreement permits us to borrow up to $25 million until June 5, 2017. On May 3, 2013, the Company and Cenfin executed a fourth amendment to the Credit Agreement which provided Cenfin sole and absolute discretion related to funding any advance requested by Roomlinx. Advances must be repaid at the earlier of 5 years from the date of borrowing or at the expiration of the Credit Agreement. The principal balance may be repaid at any time without penalty. Borrowings accrue interest, payable quarterly on the unpaid principal and interest at a rate equal to the Federal Funds Rate at July 15 of each year plus 5% (approximately 5.09% at December 31, 2013). The Credit Agreement is collateralized by substantially all of our assets, and requires we maintain a total outstanding indebtedness to total assets ratio of less than 3 to 1.

The Credit Agreement requires that, in conjunction with each advance, we issue Cenfin warrants to purchase shares of Roomlinx common stock equal to 50% of the principal amount funded divided by (i) $2.00 on the first $5,000,000 of borrowings on or after July 15, 2010 ($4,712,000 as of December 31, 2012) or (ii) thereafter the fair market value of the Company's common stock on the date of such draw for advances in excess of $5,000,000. The exercise price of the warrants is $2.00 for the warrants issued on the first $5,000,000 of borrowings made after July 15, 2010 and, thereafter, the average of the high and low market price for the Company's common stock on the date of issuance. The exercise period of these warrants expire three years from the date of issuance.

During the year ended December 31, 2013, the Company made interest payments of $256,942 to Cenfin.

Effective July 25, 2012, Roomlinx entered into a consulting arrangement for marketing services with TRG, Inc., an entity owned by Michael S. Wasik, the CEO and Chairman of Roomlinx. The marketing services were to be performed by Chris Wasik, the wife of Mr. Wasik. As of December 31, 2012, Roomlinx had paid TRG $94,950 for services performed in accordance with said arrangement. At the beginning of December 2012, Chris Wasik became an employee of Roomlinx as its Director of Marketing with a salary of $85,000 per annum, effectively severing the consulting arrangement with TRG. Subsequently in December 2013, Ms. Wasik assumed responsibility for the Company's call center at which time her salary was increased to $101,400. For the year ended December 31, 2013, Ms. Wasik was paid $88,275 as an employee of the Company.

The wife of Jason Andrew Baxter, the Company's Chief Operating Officer, provides certain contract and financial services to the Company through Baxter Facilities, LLC, a limited liability company co-owned by Mr. Baxter. The Company has paid Baxter Facilities, LLC $23,448 and $46,321 for its services for the years ended December 31, 2013 and 2012, respectively.

Other than as set forth above, there were no related party transactions in 2013 and none are currently contemplated.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

AUDIT AND RELATED FEES, TAX FEES AND ALL OTHER FEES

For the years ended December 31, 2013 and 2012, the Company incurred accounting fees for services as follows:

	2013	2012
Audit fees (1)	$ 105,560	$ 70,000
Audit related fees (2)	26,000	41,865
Tax fees	16,000	15,575
Other fees	-	-
	$ 147,560	$ 127,440

(1) 2012 audit fees include $5,000 to a prior auditor, pursuant to their consent
(2) 2012 audit related fees include $6,000 to a prior auditor, pursuant to their consents

Audit related fees performed by GHP Horwath, P.C. in 2013 and 2012, include the review of the quarterly consolidated financial statements of Roomlinx, Inc. and Forms 10-Q related thereto, consent procedures and the review of additional filings with the Securities and Exchange Commission including Form S-1 and Form 8-K, as appropriate.

BOARD OF DIRECTORS ADMINISTRATION OF THE ENGAGEMENT

Before GHP Horwath, P.C. was engaged by the Company for the 2013 audit, GHP Horwath, P.C.'s engagement and engagement letter were approved by the Company's Board of Directors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following Exhibits are filed with this report or incorporated by reference:

2.1 Agreement and Plan of Merger, dated as of March 14, 2014, by and among Roomlinx, Inc., Signal Point Holdings Corp. and Roomlinx Merger Corp., incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K filed on March 17, 2014.*

3.1 Amended and Restated Articles of Incorporation of the registrant is incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 22, 2010.

3.2 Amended and Restated By-Laws of the registrant is incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004.

4.1 Form of Convertible Debenture, incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 14, 2007.

4.2 Form of Warrant issued to Creative Hospitality Associates, incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on April 16, 2008.

4.3 Form of Revolving Credit Note issued to Cenfin LLC, included as Exhibit A to the Revolving Credit, Security and Warrant Purchase Agreement attached as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on June 11, 2009.

4.4 Form of Warrant issued to Cenfin LLC, included as Exhibit B to the Revolving Credit, Security and Warrant Purchase Agreement attached as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on June 11, 2009.

4.5 Incentive Stock Option Agreement, dated June 5, 2009, between Roomlinx, Inc. and Michael S. Wasik, incorporated by reference to Exhibit 3.3 of the registrant's Current Report on Form 8-K filed on June 11, 2009.

10.1 Roomlinx, Inc. Long Term Incentive Plan is incorporated by reference to Annex A to the definitive proxy statement filed by the registrant with the SEC on January 30, 2009.

10.2 Securities Purchase Agreement, dated as of June 11, 2007, by and among Roomlinx, Inc. and the Investors named therein, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 14, 2007.

10.3 Employment Agreement, dated June 5, 2009, between Roomlinx, Inc. and Michael S. Wasik, incorporated by reference to Exhibit 10.2 of the registrant's Current Report on Form 8-K filed on June 11, 2009.

10.4 Securities Purchase Agreement dated as of June 11, 2007, by and among the registrant and the Investors named therein is incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 14, 2007.

10.5 Agreement and Plan of Merger, dated as of August 10, 2005 by and among the registrant, SS-R Acquisition Corp. and SuiteSpeed, Inc., incorporated by reference to Exhibit 10.1 of the registrant's current report on Form 8-K filed with the SEC on August 16, 2005.

10.6 Revolving Credit, Security and Warrant Purchase Agreement, dated June 5, 2009, between Roomlinx, Inc. and Cenfin LLC, incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed on June 11, 2009.

10.7 Debt Conversion Agreement, dated September 9, 2009, between Roomlinx, Inc. and Lewis Opportunity Fund, L.P., incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed on September 16, 2009.

10.8 First Amendment to Revolving Credit, Security and Warrant Purchase Agreement, dated March 10, 2010, between Roomlinx, Inc. and Cenfin LLC, incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed on March 11, 2010.

10.9 Securities Purchase Agreement, dated April 29, 2010, among Roomlinx, Inc., Verition Multi-Strategy Master Fund Ltd. and Wilmot Advisors LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on May 5, 2010.

10.10 Registration Rights Agreement, dated April 29, 2010, among Roomlinx, Inc., Verition Multi-Strategy Master Fund Ltd. and Wilmot Advisors LLC, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on May 5, 2010.

10.11 Second Amendment to Revolving Credit, Security and Warrant Purchase Agreement, dated July 30, 2010, between Roomlinx, Inc. and Cenfin LLC, incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed on August 19, 2010.

10.12 Form of Director Indemnification Agreement, dated July 30, 2010, between Roomlinx, Inc. and each of its directors and officers, incorporated by reference to Exhibit 10.4 of the Registrant's Current Report on Form 8-K filed on August 19, 2010.

10.13 Securities Purchase Agreement, dated August 18, 2010, among Roomlinx, Inc., Verition Multi-Strategy Master Fund Ltd., Wilmot Advisors LLC, Arceus Partnership, Ted Hagan and Josh Goldstein, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on August 19, 2010

10.14 Registration Rights Agreement, dated August 18, 2010, among Roomlinx, Inc., Verition Multi-Strategy Master Fund Ltd., Wilmot Advisors LLC, Arceus Partnership, Ted Hagan and Josh Goldstein, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on August 19, 2010

10.15 Unit Purchase Agreement, dated as of October 1, 2010, by and among Roomlinx, Inc., Canadian Communications, LLC, Peyton Communications, LLC, Garneau Alliance LLC, Peyton Holdings Corporation and Ed Garneau, incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K filed on October 7, 2010.

10.16 Third Amendment to Revolving Credit, Security and Warrant Purchase Agreement, dated December 21, 2011, between Roomlinx, Inc. and Cenfin LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on December 23, 2011.

10.17 Securities Purchase Agreement, dated May 4, 2012, by and among Roomlinx, Inc. and certain Investors, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on May 7, 2012.

10.18 Form of Warrant, by and between Roomlinx, Inc. and each of the Investors, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on May 7, 2012.

10.19 Registration Rights Agreement, dated May 4, 2012, by and among Roomlinx, Inc. and certain Investors, incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed on May 7, 2012.

10.20 Master Services and Equipment Purchase Agreement, dated March 12, 2012, by and between Hyatt Corporation and Roomlinx, Inc., incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q/A filed on July 27, 2012.

10.21 First Amendment to Securities Purchase Agreement, dated June 15, 2012, by and among the Company and certain Investors, incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2012.

10.22 Form of Restricted Stock Agreement, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on January 3, 2013.

10.23 Fourth Amendment to Revolving Credit, Security and Warrant Purchase Agreement, dated as of May 3, 2013, between Roomlinx, Inc. and Cenfin LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on May 13, 2013.

10.24 Amended and Restated Employment Agreement, dated as of August 29, 2013, between Roomlinx, Inc. and Michael S. Wasik, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on September 4, 2013.

10.25 Employment Agreement, dated as of August 29, 2013, between Roomlinx, Inc. and Jason Andrew Baxter, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on September 4, 2013.

10.26 Employment Agreement, dated as of August 29, 2013, between Roomlinx, Inc. and Robert Wagener, incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2013.

10.27 Form of Indemnification Agreement between Roomlinx, Inc. and each of Alan Fine, Jason Andrew Baxter and Robert Wagener, incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2013.

10.28 Form of Escrow Agreement, by and among Roomlinx, Inc., Signal Point Holdings Corp., Signal Point Corp. and Signal Share, Inc., incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on March 17, 2014.

10.29 Form of Transitional Services Agreement, by and among Roomlinx, Inc., Signal Point Holdings Corp. Signal Point Corp., Signal Share, Inc. and Cardinal Broadband, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on March 17, 2014.

** 21.1 Subsidiaries of the Registrant.

** 31.1 Certification of the chief executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

** 31.2 Certification of the interim chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

** 32.1 Certification of the chief executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* The exhibits and schedules to Exhibit 2.1 have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A list of exhibits and schedules is set forth in the Agreement and Plan of Merger. The Company will furnish a copy of any such omitted exhibit or schedule to the Securities and Exchange Commission upon request.

** Filed herewith

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 31, 2014.

Roomlinx, Inc.

By: /s/ Michael S. Wasik
Michael S. Wasik
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Michael S. Wasik
Michael S. Wasik
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Alan Fine
Alan Fine
Interim Chief Financial Officer
and Interim Principal Accounting Officer

By: /s/ Carl R. Vertuca, Jr.
Carl R. Vertuca, Jr.
Director

By: /s/ Erin L. Lydon
Erin L. Lydon
Director

Date: March 31, 2014

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Incorporation
Suite Speed, Inc.	State of Delaware, United States
Canadian Communications, LLC	State of Colorado, United States
Cardinal Broadband, LLC	State of Colorado, United States
Cardinal Connect, LLC	State of Colorado, United States
Arista Communications, LLC	State of Colorado, United States
Cardinal Hospitality, Ltd.	British Columbia, Canada

EXHIBIT 31.1

I, Michael S. Wasik, certify that:

1. I have reviewed this annual report on Form 10−K of Roomlinx, Inc.;

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

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the small business issuer and have:

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

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

(c) Evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer’s auditors and the audit committee of the small business issuer’s board of directors (or persons performing the equivalent functions):

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

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

Date: March 31, 2014

By: /s/ Michael S. Wasik
Michael S. Wasik
Chief Executive Officer

EXHIBIT 31.2

I, Alan Fine, certify that:

1. I have reviewed this annual report on Form 10−K of Roomlinx, Inc.;

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

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the small business issuer and have:

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

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

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

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

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

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

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

Date: March 31, 2014

By: /s/ Alan Fine
Alan Fine
Interim Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C SECTION 1350)

In connection with the Annual Report of Roomlinx, Inc. (the "Company") on Form 10-K for the period ended December 31, 2013, as filed with the Securities and Exchange Commission (the "Report"), I, Michael S. Wasik, Chief Executive Officer and I, Alan Fine, interim Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to my knowledge:

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

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

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

Date: March 31, 2014
By: /s/ Michael S. Wasik
Michael S. Wasik
Chief Executive Officer

Date: March 31, 2014
By: /s/ Alan Fine
Alan Fine
Interim Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Roomlinx, Inc. and will be retained by Roomlinx, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.