SIRICOMM INC
Form SB-2/A
April 05, 2006

As filed with the Securities and Exchange Commission on April 5, 2006

REGISTRATION NO. 333-132066

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

AMENDMENT NO. 1 TO
FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SIRICOMM, INC.

(Name of small business issuer in its charter)

Delaware	7372	62-1386759
(State or Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

4710 East 32nd Street
Joplin, Missouri 64804
(417) 626-9961

(Address and Telephone Number of Principal Executive Office and Principal Place of Business)

Henry P. Hoffman
President and Chief Executive Officer
4710 East 32nd Street
Joplin, Missouri 64804
(417) 626-9961

(Name, address and telephone number of agent for service)

Copies to:
Joel C. Schneider, Esq.
Sommer & Schneider LLP
595 Stewart Avenue, Suite 710
Garden City, NY 11530
(516) 228-8181
(516) 228-8211 (fax)

APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: From time to time after this Registration Statement becomes effective.

If any of the securities being registered on the Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. [X]

If the Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If the Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434 of the Securities Act, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Security (2)	Proposed Ma Aggregate Of Price
Shares of Common Stock, $0.001 par value per share	4,757,263	$2.00	$9,514,5
Shares of Common Stock, $0.001 par value per share (3)	5,396,876	$2.00	$10,793,7
Total	10,154,139	$2.00	$20,308,2

(1) All 10,154,139 shares registered pursuant to this registration statement are to be offered by the selling shareholders. Pursuant to Rule 416 under the Securities Act, this registration statement also covers such number of additional shares of common stock to prevent dilution resulting from stock splits, stock dividends and similar transactions pursuant to the terms of the warrants referenced below.
(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and Rule 457(g) under the Securities Act, using the average of the bid and asked price as reported on the Over the Counter Bulletin Board on February 14, 2006.
(3) Represents a total of 5,396,876 shares of common stock issuable upon the exercise of warrants held by the selling shareholders.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL AND IS NOT A SOLICITATION OF AN OFFER TO BUY IN ANY STATE IN WHICH AN OFFER, SOLICITATION, OR SALE IS NOT PERMITTED.

Subject to completion, dated April 5, 2006

PROSPECTUS

SIRICOMM, INC.

10,154,139 SHARES OF COMMON STOCK

This prospectus relates to an aggregate of up to 10,154,139 shares of our common stock, which may be offered by the selling shareholders identified in this prospectus for their own account. Of such shares, 4,757,263 shares were outstanding as of February 27, 2006 and 5,396,876 shares are issuable upon the exercise of warrants that we have issued to the selling shareholders, including 234,613 shares issuable upon the exercise of warrants issued to Sanders Morris Harris, Inc. as partial compensation for services rendered to us as placement agent. Our filing of the registration statement of which this prospectus is a part is intended to satisfy our obligations to certain of the selling shareholders to register for resale the shares issued to them and the shares issuable upon exercise of the warrants issued to them.

We will not receive any proceeds from the sale of the shares by these selling shareholders. We may, however, receive proceeds in the event that some or all of the warrants held by the selling shareholders are exercised.

Unless the context otherwise requires, the terms "SiriCOMM", "we," "us" or "our" refer to SiriCOMM, Inc.

Our common stock is listed on the OTC Bulletin Board under the symbol ""SIRC". From May 31, 1994 until November 21, 2002, our predecessor's common stock traded on the OTC Bulletin Board under the symbol "FPHI.". The last reported sales price per share of our common stock, as reported by the OTC Bulletin Board on February 24, 2006, was $1.50.

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK.
SEE "RISK FACTORS" BEGINNING ON PAGE 4.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is ___________, 2006

TABLE OF CONTENTS

WE HAVE NOT AUTHORIZED ANY DEALER, SALESPERSON OR OTHER PERSON TO GIVE ANY INFORMATION OR REPRESENT ANYTHING NOT CONTAINED IN THIS PROSPECTUS. YOU SHOULD NOT RELY ON ANY UNAUTHORIZED INFORMATION. THIS PROSPECTUS DOES NOT OFFER TO SELL

OR BUY ANY SHARES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL. THE INFORMATION IN THIS PROSPECTUS IS CURRENT AS OF THE DATE ON THE COVER.

4

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY HIGHLIGHTS SELECTED INFORMATION CONTAINED IN THIS PROSPECTUS. THIS SUMMARY DOES NOT CONTAIN ALL THE INFORMATION YOU SHOULD CONSIDER BEFORE INVESTING IN OUR SECURITIES. BEFORE MAKING AN INVESTMENT DECISION, YOU SHOULD READ THE ENTIRE PROSPECTUS CAREFULLY, INCLUDING THE "RISK FACTORS" SECTION, THE FINANCIAL STATEMENTS AND THE NOTES TO THE FINANCIAL STATEMENTS.

Our Company

We are a provider of broadband wireless connectivity and application services to the commercial vehicle industry. We are rolling out a low-cost communications network combining a satellite backbone with Wireless Fidelity ("Wi-Fi") access points at strategic locations nationwide. The network allows us to provide both productivity and cost reduction software applications to the commercial vehicle industry and other users whose effectiveness "over-the-road" requires affordable driver connectivity and in-vehicle access to software productivity tools.

The industry we are targeting is principally composed of the fleet owners and drivers of the approximately four million commercial trucks on US highways that generate well in excess of $500 billion per year in revenues. Currently, a relatively small percentage of these trucks utilize in-cab data communications (short text messaging and GPS tracking), chiefly because these solutions are expensive to install, feature costly variable service fees, and offer no clearly stated return on investment. We believe that our low cost network and suite of application solutions, combined with our subscription-based business model, are better suited to address the industry's needs than previous solutions.

Our patent-pending network infrastructure solution provides lower cost and higher throughput connectivity when compared to other competing solutions. The point-to-multipoint broadcast feature of our network provides considerable cost-to-bandwidth efficiencies. As a result, our architecture transmits data at speeds up to 20 to 100 times faster than other competing wireless solutions. To date we have installed over 300 Wi-Fi "hot spots" at major truck stops and weigh stations and have agreements with leading truck stop chains and weigh station operators such as Pilot Travel Centers, Love's Travel Stops, Petro Truck Stops, Freight and More/DIS and others, to install access points at approximately 450 additional sites.

We offer broadband internet access ("ISP") to our customers as well as value added applications for the commercial transportation industry which reduce costs and improve productivity for fleet operators. Our product and service offerings include:

InTouch(TM). We formally launched our ISP service in December 2004. InTouch(TM) delivers wireless broadband connectivity for both commercial and non-commercial drivers nationwide through daily, monthly, or annual subscriptions.

Idling Solutions. Through an exclusive agreement with Idling Solutions, LLC we provide data connectivity for one of the most innovative fuel conservation and anti-pollution systems available to the trucking industry. Through a monthly subscription we will wirelessly extract and transmit data from each of the Idling Solutions-equipped vehicles to the Idling Solutions data center. With the data we deliver, Idling Solutions monitors the performance of its product and calculates Mobile-source Emissions Reduction Credits. We currently have an expression of interest from Idling Solutions for a 50,000 unit order, however, there is no assurance that Idling Solutions will complete the purchase of 50,000 units.

Other Applications

- Pulse(TM). Our Pulse(TM) Box is able to extract from the truck, and wirelessly transmit to the fleet manager, key vehicle diagnostic data, driver behavior information, as well

as Global Positioning (GPS) data. Pulse(TM) has significant cost reduction implications for fleets in areas such as maintenance, accident reduction, fuel efficiency, out of route miles, and fuel tax.

- Beacon(TM). Beacon(TM) includes a suite of software applications (e.g., e-logbook, e-freight bill, etc.) that operate on a Wi-Fi enabled Personal Digital Assistant. We estimate that fleets may realize cost reductions of up to $300 per truck per month using these applications. We believe this system will enable fleets, for the first time, to economically utilize significant computing power and broadband wireless Internet connectivity in the cabs of their trucks.

- i-Link. The i-Link service is designed to prevent fuel purchase fraud while increasing fuel island throughput at truck stops. This service is in beta testing in a major fleet, and we believe that it has the potential to be the most widely adopted and greatest revenue producing application launched on the SiriCOMM network.

We market our products and services principally through assorted value added reseller agreements and a direct sales force. As the trucking industry is highly fragmented and comprises many small to medium-sized fleets, we use numerous resellers to maximize our sales reach. Our direct sales force is focused on the large fleets as well as coordinating the efforts of our value added resellers. Currently we are continuing to concentrate our sales efforts on InTouch(TM) while installing additional hot spots across the country. Sales of Pulse and Beacon will commence once nationwide network density reaches 400-500 sites.

Our senior management team, led by CEO Henry (Hank) Hoffman and composed primarily of the founders of the Company, has significant experience in both the transportation and communications industries.

We were incorporated as a Delaware corporation under the name DFW Technologies, Inc., in March 1989. In 1992, DFW Technologies, Inc. changed their name to Fountain Pharmaceuticals, Inc. In approximately November 2002, the shareholders of SiriCOMM, Inc., a privately-held Missouri corporation, incorporated in 2000 ("SiriCOMM Missouri"), exchanged all of the issued and outstanding common stock of SiriCOMM Missouri for a controlling interest in Fountain Pharmaceuticals, Inc. (the "Reverse Transaction"). As part of the Reverse Transaction, all of the then officers and directors of Fountain Pharmaceuticals, Inc. resigned and were replaced by persons designated by SiriCOMM Missouri and the name of Fountain Pharmaceuticals, Inc. was changed to

SiriCOMM, Inc. As a result of the Reverse Transaction, SiriCOMM Missouri became a wholly-owned subsidiary of the Company and the prior shareholders of SiriCOMM Missouri became the controlling shareholders, officers and directors of the Company. The Company and SiriCOMM Missouri are hereinafter collectively referred to as the "Company."

Our corporate address is 4710 East 32nd Street, Joplin, Missouri 64804, and our telephone number is 417-626-9971 and our fax number is 417-782-0475.

Summary of the Offering

As of January 31, 2006, we consummated a private placement of units pursuant to a Confidential Private Placement Memorandum, dated December 6, 2005 and supplemented on January 23, 2006. Each unit consisted of one share of common stock and one redeemable common stock purchase warrant. As part of the private placement, we sold an aggregate of 4,692,263 units (4,692,263 shares and 4,692,263 warrants) for an aggregate purchase price of $5,396,610.45 or $1.15 per unit. The warrants entitle the holders to purchase shares of the common stock for a period of five years from the date of issuance at an exercise price of $1.50 per share. The warrants contain certain anti-dilution rights and are redeemable by us, on terms specified in the warrants.

Sunflower Capital, LLC, a limited liability company managed by William P. Moore, a director of the Company, purchased an aggregate of 1,764,872 units in the offering, which consisted of a new investment of $1,525,000 to purchase 1,326,087 units and the conversion of a $500,000 promissory note plus accrued interest in the amount of $4,602 to purchase 438,785 units.

In connection with the private placement, Sanders Morris Harris, Inc., the placement agent in the private placement, received a commission equal to 5% of the offering price of the units sold by them in the private placement, a

commission equal to 2 1/2% on the 1,764,872 units by Sunflower Capital and a financial advisory fee equal to 2% of the offering price of the units sold in the private placement and a warrant to purchase 234,613 shares of common stock, or 5% of the units sold in the private placement. The warrants are exercisable for a period of five years at an exercise price of $1.15 per share and contain the same anti-dilution rights as the common stock warrant issued in the January 2006 private placement.

On December 27, 2005, we entered into a loan agreement with Sunflower. The loan was in the principal amount of $500,000 which was converted into 438,785 units of the January 2006 private placement as discussed above. As consideration for Sunflower making the loan, we issued to Sunflower a warrant to purchase 200,000 shares of common stock. The warrants are exercisable at $1.26 per share and expire on December 15, 2010. We are registering the 200,000 shares underlying this warrant.

On September 21, 2005 we issued warrants to purchase an aggregate of 200,000 shares of common stock to Messrs. Clark Burns and Philip Snowden pursuant to a finder's agreement dated November 14, 2003, between SiriCOMM and Messrs. Burns and Snowden. We are registering the 200,000 shares of common stock underlying these warrants pursuant to the terms of the finder's agreement.

On July 8, 2005, we issued 15,000 shares of common stock and warrants to purchase 20,000 shares of common stock to Interactive Resource Group ("IRG") pursuant to a consulting agreement. The warrants are exercisable for four (4) years and have varying exercise prices , 10,000 at $2.50, 5,000 at $3.00 and 5, 000 at $4.00. We are registering herein the 15,000 shares and the 20,000 shares underlying the warrants.

We are also registering 50,000 shares of common stock and 50,000 shares underlying warrants issued to IRG pursuant to a consulting agreement dated November 30, 2005. The warrants are exercisable for four (4) years and have varying exercise prices, 16,666 at $1.25, 166,667 at $1.35 and 16,667 at $1.45.

Common stock offered by SiriCOMM:	None.
Common stock offered by selling shareholders:	10,154,139 shares, which includes 5,396,876 shares issuable upon exercise of the warrants described above.
Common stock outstanding:	As of February 21, 2006, 24,913,713 shares of our common stock were issued and outstanding.
Proceeds to SiriCOMM:	We will not receive proceeds from the resale of shares by the selling shareholders. If all warrants are fully exercised, we will receive approximately $7,987,700 in cash from the warrant holders.
Use of proceeds:	Working capital.
OCT Bulletin Board Symbol:	SIRC.

RISK FACTORS

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. BEFORE YOU INVEST YOU SHOULD CAREFULLY CONSIDER THE RISKS AND UNCERTAINTIES DESCRIBED BELOW AND THE OTHER INFORMATION IN THIS PROSPECTUS. IF ANY OF THE FOLLOWING RISKS ARE REALIZED, OUR BUSINESS, OPERATING RESULTS AND FINANCIAL CONDITION COULD BE HARMED AND THE VALUE OF OUR STOCK COULD GO DOWN. THIS MEANS YOU COULD LOSE ALL OR A PART OF YOUR INVESTMENT.

Risks Related to Our Business

Because we have a limited operating history, you may not be able to accurately evaluate our operations.

We have had limited operations to date and have never generated meaningful revenue. Therefore, we have a limited operating history upon which to evaluate the merits of investing in the Company. Because we are in the early stages of operating our business, we are subject to many of the same risks inherent in the operation of a business with a limited operating history, including the potential inability to continue as a going concern.

We are dependent on outside financing for continuation of our operations.

Because we have never generated meaningful revenue and currently operate at a loss, we are completely dependent on the continued availability of financing in order to continue our business. There can be no assurance that financing sufficient to enable us to continue our operations will be available to us in the future. Our failure to obtain future financing or to produce levels of revenue to meet our financial needs could result in our inability to continue as a going concern and, as a result, investors in the Company could lose their entire investment.

SiriCOMM launched its initial product for commercialization in December 2004 and there can be no assurance that our products will be accepted by potential customers.

Since our founding in 2000, we have invested nearly seven million dollars in our business plan and into the development of infrastructure. However, we only recently commenced marketing our initial product offering, InTouch(TM) internet service, in December 2004. There can be no assurance that our target market of prospective customers will commercially accept our products. A failure to gain a certain level of acceptance in the market may result in a level insufficient for us to generate a profit and sustain our business activities.

SiriCOMM requires significant additional capital to complete the installation of its national Network and these funds may not be available when we need them.

The Company's Network (defined below) became operational in October 2004, is only partially built, and significant capital is required by the Company to install the number of WLAN site locations which the Company believes are required to offer a robust national business service to its target market. While the Company believes it has adequate capital to install up to 750 additional sites, there can be no assurance that the capital will be available when it is needed. If such capital is not available, there can be no assurance that the Network, as it is currently installed in 38 states, is sufficiently dense or nationally robust enough to have functional utility to its target market. If these funds are not available when we need them, we will be required to raise additional capital, which there can be no assurance that such capital will be available and we may need to change our business strategy and limit the expansion of our Network, which would limit its functional utility and thus our ability to develop our business in the manner intended.

We compete with large, well-capitalized companies.

While we believe that there are currently no direct competitors in the trucking or highway wireless broadband market, the overlapping mobile wireless broadband industry is dominated by several large, well-capitalized companies such as Qualcomm and PeopleNet. Several of these entities have greater financial resources than us and as a result, we may not be able to invest comparable levels of funding into our business. There can be no assurance that we will be

successful in establishing the credibility, products and services and financial position necessary to successfully compete against these large, well-established competitors. A failure to do so could mean that we will perform substantially below our expectations and that investors in the Company could lose some or all of their investment. Furthermore, existing competitors may grow their business, and new competition may enter the market over time, all of which may increase competition and our ability to be successful in our industry.

Our industry is characterized by rapidly changing technology.

The mobile wireless broadband service industry is subject to rapid change and evolution of the technology platforms, products and services available to customers. There can be no assurance that either the suite of products and services that we have developed are currently the most up-to-date and competitively priced or that such products and services will not be made obsolete as a result of the technology developments of competitors. A failure by us to have, maintain and continue to develop or acquire leading edge technology could mean that we will substantially under-perform versus our expectations and thus have a materially detrimental effect on our business operations.

Our business model requires us to continually develop and augment our suite of products through internal development and product acquisitions.

Our business model is dependent on our ability to augment our initial suite of products and services with additional products and services important to providing customers with an integrated communication and productivity suite of products and services. There can be no assurance that we have either the ability or resources to accomplish this, thus affecting our ability to develop a profitable business enterprise. A failure to develop existing or additional products and services or obtain additional products and services necessary to maintain a productive suite of products and services may have a materially detrimental effect on our business operations.

Our inability to recruit and retain qualified employees could cause our financial condition to suffer.

We believe that we have recruited the nucleus of a solid management team, however, due to our small size and thin capitalization, there can be no assurance that we can retain our management team or that we can hire the additional management and employees that we will need to employ as the Company grows or to sustain such growth. Our inability to attract and retain qualified employees could affect our ability to successfully implement our business plan and expand our business.

We are heavily dependant on key personnel, and a loss of such personnel could have a detrimental effect on our business.

We are highly dependent upon the efforts of our senior management team, including our President and Chief Executive Officer, Mr. Henry P. Hoffman. The loss of the services of one or more of these individuals might impede the achievement of our development objectives. Because of the specialized nature of our business, we are highly dependent upon our ability to attract and retain qualified personnel. The loss of such key personnel could have a materially detrimental effect on our business. We do not maintain key person insurance on any employees' life.

Disruption of our services due to accidental or intentional security breaches may harm our reputation, potentially causing a loss of sales and an increase in our expenses.

A significant barrier to the growth of wireless data services or transactions on the Internet or by other electronic means has been the need for secure transmission of confidential information. Our systems could be disrupted by unauthorized access, computer viruses and other accidental or intentional actions. We may incur significant costs to protect against the threat of security breaches or to alleviate problems caused by such breaches. If a third party were able to misappropriate our users' personal or proprietary information or credit card information, we could be subject to claims, litigation or other potential liabilities that could materially adversely impact our revenue and could result in the loss of customers.

There is no established market for our products and services; we may not be able to sell enough of our services to become profitable.

The markets for wireless data and transaction services are not fully developed. Continued growth in demand for, and acceptance of, these services remains uncertain. Current barriers to market acceptance of these services include cost, reliability, functionality and ease of use. We cannot determine with any certainty whether these barriers will be overcome. Our competitors may develop alternative wireless data communications systems that gain broader market acceptance than our current and future systems. If the market for our services does not grow, or grows more slowly than we currently anticipate, we may not be able to attract and maintain customers and our financial condition would be adversely affected.

Our strategic alliances may not deliver the value we paid or will pay for them.

We may incur excessive expenses if we do not successfully integrate our strategic alliances or if the costs and management resources we expend in connection with integration exceed our expectations. We expect that our strategic alliances and any acquisitions and investments we may pursue in the future will have a continuing, significant impact on our business, financial condition and operating results. The value of the companies that we acquire or invest in may be less than our estimates and our financial results may be adversely affected if:

- we fail to assimilate the acquired assets with our pre-existing business;

- our management's attention is diverted by other business concerns; or

- we assume unanticipated liabilities related to the acquired assets.

In addition, the companies we have acquired or invested in or may acquire or invest in are subject to each of the business risks we describe in this section, and such risks may affect the value of such acquisitions and investments. Further, we cannot guarantee that we will realize the benefits or strategic objectives we were seeking to obtain by acquiring, investing or partnering with these companies.

We may not achieve profitability if we are unable to maintain, improve and develop the wireless data services we offer. We believe that our future business prospects depend in part on our ability to maintain and improve our current services and to develop new products and services on a timely basis. Our services will have to achieve market acceptance, maintain technological competitiveness and meet an expanding range of customer requirements. As a result of the complexities inherent in our service offerings, major new wireless data services and service enhancements require long development and testing periods. 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. If we cannot effectively develop and improve services, we may not be able to recover our fixed costs or otherwise become profitable.

Any type of systems failure could reduce sales, increase costs or result in claims of liability.

Any disruption from our satellite feeds or backup landline feeds could result in delays in our subscribers' ability to receive information. We cannot be sure that our systems will operate appropriately if we experience a hardware or software failure or if there is an earthquake, fire or other natural disaster, a power or telecommunications failure, intentional disruptions of service by third parties, an act of God or an act of terrorism or war. A failure in our systems could cause delays in transmitting data, and as a result we may lose customers or face litigation that could involve substantial costs and distract management from operating our business.

Failure of satellite(s) or loss of satellite capacity would materially and adversely affect our network.

The operation of our network and our subscriber's ability to receive and exchange information is dependent upon our continued access to satellite transmission capacity and the proper performance of the satellite(s) utilized by the Company. We have contracted with ViaSat, Inc., a California-based satellite

10

communications service provider ("ViaSat"), for satellite bandwidth capacity in the Ku-band frequency range to support our network. While the Company's satellite service may not be preempted by ViaSat to restore another customer's service, in the event of a failure or significant disruption in the satellite capacity provided by ViaSat, we would have to obtain alternative satellite capacity rights. While we believe that in such an event we will be able to obtain alternative satellite capacity, we do not currently have rights for redundant capacity and there can be no assurance that we will be able to obtain such satellite capacity on terms favorable to us. Our inability to obtain alternative satellite capacity in a timely manner, or on terms favorable to us would have a material adverse effect on our operations and financial results.

A significant portion of our business is dependent upon relationships with three customers.

We have deployed a network of SiriCOMM Wi-Fi spots at locations convenient to highway travelers for wireless Internet access, which is currently the most widely available Internet access network built for the highway transportation market. The SiriCOMM Wi-Fi spots are located at participating Pilot locations, select roadside weigh stations that feature PrePass(TM) ("PrePass") and participating Love's locations. The Company's contracts with Pilot and Love's to install and maintain these Wi-Fi spots may be terminated upon 90 days advance notice. If Pilot or Love's terminate their contracts with us, we would experience an immediate detrimental impact on our business, resulting in a materially detrimental effect on our results of operations. The initial term of our contract with ACS for the installation of 10 PrePass sites expired December 28, 2005 and all indications by ACS have been to the effect that SiriCOMM has complied with the terms as so stated. The Company is currently in discussions with ACS to extend its contract and to significantly expand the number of PrePass site installations. While the Company expects that such an extension of the ACS contract will be entered into, there can be no assurance that such contract extension will be consummated on terms acceptable to the Company or for the number of additional sites anticipated. Failure to successfully extend the ACS contract on these terms would materially and adversely affect the Company's ability to expand its network as currently anticipated.

If we fail to comply with the new rules under the Sarbanes-Oxley Act related to accounting controls and procedures, or if material weaknesses or other deficiencies are discovered in our internal accounting procedures, our stock price could decline significantly.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent auditors addressing these assessments. We are in the process of documenting and testing our internal control procedures, and we may identify material weaknesses in our internal control over financial reporting and other deficiencies. If material weaknesses and deficiencies are detected, it could cause investors to lose confidence in our Company and result in a decline in our stock price and consequently affect our financial condition. In addition, if we fail to achieve and maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our Common Stock could drop significantly. In addition, we cannot be certain that additional material weaknesses or significant deficiencies in our internal controls will not be discovered in the future.

New laws and regulations that impact our industry could increase our costs or reduce our opportunities to earn revenue.

We are not currently subject to direct regulation by the Federal Communications Commission (the "FCC") or any other governmental agency, other than regulations applicable to publicly traded Delaware corporations of similar size that are headquartered in Missouri. However, in the future, we may become subject to regulation by the FCC or other state and federal agencies. In addition, the wireless carriers that supply us airtime and certain of our hardware suppliers are subject to regulation by the FCC and regulations that affect them could increase our costs or reduce our ability to continue selling and supporting our services.

A pending lawsuit, if successful, could have an adverse effect on our financial condition and business operations.

On December 17, 2004, Henry Hoffman, Kory Dillman, David Mendez, Tom Noland, Richard Iler and Terry Thompson were named defendants in a lawsuit entitled Greg Sanders v. Henry Hoffman et al. Messrs. Hoffman, Dillman, Mendez and Iler are officers and directors of the Company, Mr. Thompson is a director of the Company and Mr. Noland is a former officer and director of the Company. The action was brought in the Circuit Court of Jackson County, Missouri at Kansas City (04CV236387). The action alleges fraud, misrepresentation and breach of fiduciary duty relating to a settlement agreement entered into between the Company and Mr. Sanders. The Company was not a party to this lawsuit. The complaint seeks damages in excess of $9,679,903. The defendants' filed a motion to dismiss which was denied by the Court. The defendants have subsequently filed counter claims against the plaintiff as part of their answer on August 18, 2005. Subsequently on February 8, 2006 the Plaintiff sought to amend the complaint to add the Company as a defendant. The Company has filed a motion in opposition of this petition. The Company will pay all expenses relating to the defense of this matter. In management's opinion this case is without merit and the defendants intend on defending this matter vigorously.

Risks Related to Our Common Stock

Our common stock has experienced volatility in the past, and may experience significant volatility in the future, which substantially increases the risk of loss to persons owning our common stock

Because of the limited trading market for our common stock, and because of the significant price volatility, stockholders may not be able to sell their shares of common stock when they desire to do so. In 2004, our stock price ranged from a high of $6.00 to a low of $.95, and in 2005, our stock price ranged from a high of $4.30 to a low of $1.15. The inability to sell shares in a rapidly declining market may substantially increase the risk of loss as a result of such illiquidity and the price for our common stock may suffer greater declines due to its price volatility.

Our common stock is traded on the OTC Bulletin Board, which may be detrimental to investors

Our shares of common stock are currently traded on the OTC Bulletin Board. Stocks traded on the OTC Bulletin Board generally have limited trading volume and exhibit a wide spread between the bid/ask quotations. We cannot predict whether a more active market for our stock will develop in the future. In the absence of an active trading market:

- investors may have difficulty buying and selling our common stock or obtaining market quotations;

- market visibility for our common stock may be limited; and

- a lack of visibility for our common stock may have a depressive effect on the market price for our common stock.

Our common stock is subject to penny stock rules, which may be detrimental to investors

Our common stock is subject to Rule 15g-1 through 15g-9 under the Exchange Act, which imposes certain sales practice requirements on broker-dealers which sell our common stock to persons other than established customers and "accredited investors" (generally, individuals with net worth in excess of $1,000,000 or annual incomes exceeding $200,000 (or $300,000 together with their spouses)). For transactions covered by this rule, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale.

This rule adversely affects the ability of broker-dealers to sell our common stock and purchasers of our common stock to sell their shares of such common stock. Additionally, our common stock is subject to SEC regulations for "penny stock." Penny stock includes any non-Nasdaq equity security that has a market price of less than $5.00 per share, subject to certain exceptions. The regulations require that prior to any non-exempt buy/sell transaction in a penny stock, a disclosure schedule set forth by the SEC relating to the penny stock market must be delivered to the purchaser of such penny stock. This disclosure must include the amount of commissions payable to both the broker-dealer and the registered representative and current price quotations for the common stock. The regulations also require that monthly statements be sent to holders of penny stock that disclose recent price information for the penny stock and information of the limited market for penny stocks. These requirements adversely affect the market liquidity of our common stock.

NOTICE ABOUT FORWARD LOOKING STATEMENTS

When used in this prospectus, the words "may," "will," "expect," "anticipate," "continue," "estimate," "intend," "plans", and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") regarding events, conditions and financial trends which may affect our future plans of operations, business strategy, operating results and financial position. Forward looking statements in this prospectus include without limitation statements relating to:

- trends affecting our financial condition or results of operations;
- our business and growth strategies;
- our technology; and
- our financing plans.

Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors include, among other things:

- our ability to obtain additional sources of capital to fund continuing operations, in the event that we are unable to timely generate revenues;
- our ability to retain existing or obtain additional licensees who will act as distributors of our products;
- our ability to obtain additional patent protection for our technology; and
- other economic, competitive and governmental factors affecting our operations, market, products and services.

Additional factors are described in our other public reports and filings with the Securities and Exchange Commission (the "SEC"). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. SiriCOMM undertakes no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

13

USE OF PROCEEDS

This prospectus relates to 10,154,139 shares of our common stock, which may be sold from time to time by the selling shareholders. We will not receive any part of the proceeds from the sale of common stock by the selling shareholders. If all warrants are fully exercised, we will receive approximately $7,987,700 in cash from the warrant holders. Any proceeds received by us from the exercise of the warrants will be used by us for general corporate purposes.

MARKET FOR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Market Information

Our common stock presently trades on the OTC Bulletin Board under the symbol "SIRC." From May 31, 1994 until November 21, 2002 our predecessor's common stock traded on the OTC Bulletin Board under the symbol "FPHI."

As of February 21, 2006, we had 24,913,713 outstanding shares of common stock, $.001 par value. As of February 21, 2006, we had outstanding 213,417 shares of Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock").

Each share of Series A Preferred Stock converts into our common stock at the rate of $2.00 per share. As of February 21, 2006 we had outstanding 12,205,449 warrants and options.

The following table sets forth certain information with respect to the high and low market prices of our common stock for the fiscal years ended September 30, 2003, 2004 and 2005 and the first quarter of fiscal year 2006:

Year	Period	High	Low
Fiscal Year 2003	First Quarter	$4.00	$1.20
	Second Quarter	$2.25	$0.02
	Third Quarter	$2.40	$0.99
	Fourth Quarter	$2.00	$0.80
Fiscal Year 2004	First Quarter	$1.40	$0.95
	Second Quarter	$4.90	$1.02
	Third Quarter	$6.00	$3.70
	Fourth Quarter	$5.15	$2.75
Fiscal Year 2005	First Quarter	$4.30	$2.35
	Second Quarter	$2.80	$1.35
	Third Quarter	$2.05	$1.53
	Fourth Quarter	$1.95	$1.15
Fiscal Year 2006	First Quarter	$1.65	$0.99

The closing price of our common stock on February 13, 2006 was $2.06.

The high and low prices are based on the average bid and ask prices for common stock, as reported by the OTC Bulletin Board. Such prices are inter-dealer prices without retail mark-ups, mark-downs or commissions and may not represent actual transactions.

Shareholders

Records of our stock transfer agent indicate that as of February 21, 2006, we had 145 record holders of our common stock. Since a significant number of our shares are held by financial institutions in "street name," it is likely that we have significantly more stockholders than indicated above. We estimate that we have approximately 1,000 beneficial holders, including such shares held in "street name."

Dividend Policy

Our board of directors determines any payment of dividends. We have never declared or paid any cash dividends, and we do not anticipate or contemplate paying cash dividends in the foreseeable future. It is our Board of Directors intention to utilize all available funds for working capital of SiriCOMM.

BUSINESS

Introduction. SiriCOMM is an application service provider specializing in wireless Internet connectivity and productivity applications tailored to the highway transportation industry. The company is guided by its mission of helping truck fleets to improve productivity, reduce costs, increase safety, and strengthen security. To achieve that goal, SiriCOMM has deployed a network of SiriCOMM Wi-Fi hot spots at locations convenient to highway travelers. SiriCOMM's proprietary network, the foundation for its applications, delivers wireless broadband connectivity by what management believes to be a fraction of the cost of conventional wireless networks. By providing both Internet access and a robust application host platform, SiriCOMM delivers a more responsive and convenient way for all industry stakeholders to interact with information needed on a regular basis.

Presently, SiriCOMM's network is the most widely available wireless Internet access network built for the highway transportation market. To date we have installed over 300 Wi-Fi "hot spots" at major truck stops and weigh stations and have agreements with leading truck stop chains and weigh station operators such as Pilot Travel Centers ("Pilot"), Love's Travel Stops ("Loves"), Petro Truck Stops ("Petro"), Freight and More, Inc./DIS - Direct Internet Services and others to install access points at approximately 450 additional sites.

The Company's network technology is built upon a distributed server model that uses satellite for data backhaul. This architecture provides key advantages: 1) the network is truly go-anywhere and operates independently of any terrestrial-based communication infrastructure; 2) the satellite multicast features allows data to be simultaneously available at all SiriCOMM Wi-Fi hot spots; 3) bandwidth management is handled from a single location as opposed to multiple points that would be required by a nationwide terrestrial network; 4) the remote server makes each hot spot an extension of fleet operations; and, 5) proprietary technologies mitigate inherent weaknesses found in conventional satellite networks.

SiriCOMM completed phase one installations in 2004 and opened the network for business in December 2004. Initially, network access subscriptions were limited to only credit card sales through the company's web site. By June 2005 Pilot began offering cash point of sales (POS) subscriptions at its in-store registers.

We market our products and services principally through assorted value added reseller agreements and a direct sales force. As the trucking industry is highly fragmented and comprises many small to medium-sized fleets, we use numerous resellers to maximize our sales reach. Our direct sales force is focused on the large fleets as well as coordinating the efforts of our value added resellers. Currently we are continuing to concentrate our sales efforts on InTouch(TM) while installing additional hot spots across the country. Sales of Pulse and Beacon will commence once nationwide network density reaches 400-500 sites.

Our senior management team, led by CEO Henry (Hank) Hoffman and composed primarily of the founders of the Company, has significant experience in both the transportation and communications industries.

We were incorporated as a Delaware corporation under the name DFW Technologies, Inc., Inc., in March 1989. In 1992, DFW Technologies, Inc. changed their name to Fountain Pharmaceuticals, Inc. In approximately November 2002, the shareholders of SiriCOMM, Inc., a privately-held Missouri corporation, incorporated in 2000 ("SiriCOMM Missouri"), exchanged all of the issued and outstanding common stock of SiriCOMM Missouri for a controlling interest in Fountain Pharmaceuticals, Inc. (the "Reverse Transaction"). As part of the Reverse Transaction, all of the then officers and directors of Fountain Pharmaceuticals, Inc. resigned and were replaced by persons designated by SiriCOMM Missouri and the name of Fountain Pharmaceuticals, Inc. was changed to SiriCOMM, Inc. As a result of the Reverse Transaction, SiriCOMM Missouri became a wholly-owned subsidiary of the Company and the prior shareholders of SiriCOMM Missouri became the controlling shareholders, officers and directors of the Company.

Our corporate address is 4710 East 32nd Street, Joplin, Missouri 64804, our telephone number is 417-626-9971, and our fax number is 417-782-0475.

The Network.

There are four key components to SiriCOMM's network architecture--the wireless local area network (WLAN), the remote server (RS), the satellite communication link, and the Hub server (the "Network"). SiriCOMM believes it is unique in that these proven technologies have never before been integrated into such an end-to-end solution. Internet protocol data is transmitted from the Hub across the satellite system to each WLAN using technologies that optimize network performance. As a result, customers enjoy wireless Internet access at locations convenient to highway travel.

The network is made up of a series of connected wireless local area networks that serve as "hot spots." Each hot spot is installed at optimal, high density locations near Interstate and secondary highway systems. Every WLAN hot spot consists of Wi-Fi technology and a dedicated proxy server (RS) and is connected by satellite uplink to the Company's central Hub data server. The complete network provides subscribers with wireless access to the Internet and a robust host platform of application services. Each hot spot involves a capital cost of approximately $4,000.

SiriCOMM's satellite link is secured through an agreement with ViaSat. SiriCOMM selected ViaSat's LinkStar product, which uses Ku-band to enable wideband transmission of IP-based data between the remote servers and the Hub. ViaSat's service, when combined with SiriCOMM's proprietary database replication technologies, maximizes the capacity of the satellite bandwidth, creating an optimized wide-area network communication channel. As a result, the system provides greater bandwidth-to-cost ratios when compared to any other communications options.

SiriCOMM's proprietary RS incorporates the functions of router, caching-proxy server, video-on-demand server, and web server into a single compact package. The RS stations are custom-built computers running a custom operating system based on the BSD 5.2 kernel (Unix). The servers are designed for reliable, unattended 24x7 operation and feature mechanisms that enhance reliability. The operating firmware runs from nonvolatile solid-state memory, not a mechanical hard disk, which enables the servers to be remotely and completely reformatted from SiriCOMM's Network Operations Center (NOC). The unique design features of the RS and capacity of the system provide substantial opportunity for future applications to include pay-per-view video, audio file downloading, fleet intranet hosting, distance learning, and much more.

The system is designed to simplify the customer experience. Any computer or hand-held device with a standard 802.11 wireless device can connect to the hot spot. Once connected, the company's web site presents a simple e-commerce subscription form. Once subscribed, the Company's proprietary MAC filter automates access to the network. Each hot spot is installed to provide adequate coverage over the entire location partner's property. When connected to the hot spot, subscribers enjoy always-on wireless Internet access.

To date, hot spots have been installed at 272 Pilot Travel Centers locations, 14 Love's Travel Stops, 9 roadside weigh stations that feature PrePass, 1 Celadon Trucking terminal, 1 J.B. Hunt fleet terminal, and 1 independent travel center, as well as various test sites throughout the country. Additionally, the company has entered into an agreement with Love's Travel Stops and Country Stores and Petro to install network service in each of its 110 travel stops and 66 travel stops respectively across the country. These sites, taken together, are intended to give the Company its initial network presence of 400 sites by early 2006, with a target of nearly 1000 sites by year-end 2006.

On December 28, 2004, the Company entered into a memorandum of understanding with ACS State and Local Solutions, Inc. ("ACS") regarding a pilot project to assess the value and service delivery capacity for our network services at ACS's PrePass weigh station sites. The Company has successfully installed network systems at 9 PrePass sites and 1 operations center, and anticipates that ACS will allow the Company to install its hot spots at the remaining 244 PrePass sites.

With its Hub (located in Overland Park, KS) and satellite interfaces all in place and the first 255 hot spots installed, the Network was "switched on" for commercial use as of October 1, 2004 and has since been operational and available for customer use. As of the date of this Memorandum the Company has 280 hot spots installed and operational. By the end of calendar 2006 the Company

plans to complete the installation of approximately 730 additional hot spots, although presently the Company has not yet identified sites beyond the approximately 450 sites under contract for these additional hot spots. The Company believes that 1,000 hot spots will provide sufficient density for truck fleet customers to view the service as a reliable means for communicating with drivers. The Company has not yet identified locations for the additional hot spots and there can be no assurance that the Company will be able to identify such additional locations, although a finalized agreement with ACS/PrePass would bring it to the desired 1000 hot spots.

SiriCOMM's Initial Target Markets. With a national Network presence, the Company's market of opportunity includes the commercial trucking industry, federal and state law enforcement, recreation vehicles, mobile sales forces, and the general driving public.

While the Company's early sales have been focused almost entirely upon Internet connectivity (InTouch(TM)) for individual subscribers, the completion of 400+ hot spot installation will enable sales to shift to the two primary markets--commercial truck fleets and government law enforcement agencies.

Trucking. The United States trucking industry has over 500,000 fleets employing over 3.4 million drivers (by definition, a fleet is one or more trucks with a U.S. Department of Transportation issued motor carrier number). Management estimates that only 10% of trucks on the road today utilize in-cab data communications because current solutions are expensive to install, feature variable monthly service fees, and offer no clearly stated return on investment.

SiriCOMM's products and services offer fleet owners low up-front costs, fixed monthly fees and verifiable returns on investment.

To provide these returns on investment, SiriCOMM's solution combines (i) affordable basic wireless Internet access coupled with (ii) a suite of initial products and services, some proprietary to the Company and others developed by third-parties where the Company has forged an alliance (the "Strategic Alliances"). These products and services address problems that have plagued the industry for decades through proprietary software that enables paperless shipping documents with signature capture, paperless driver logs, fuel purchasing oversight, electronic vehicle performance data, decision support tools, and other two-way, wireless communications opportunities.

Government. The Company believes that it has a significant business opportunity with both state and local highway and traffic authorities as well as, potentially, the Office of Home Land Security--especially if its hot spots are authorized for points of entry into the US.

Products and Services. SiriCOMM's business model is a subscription-based customer access model where individual, business and governmental customers will pay monthly Network access fees to subscribe for various services. The Company plans to provide the services through a combination of: (i) proprietary application specific products developed by the Company which are accessible by customers via the Network and (ii) other products and services developed by others that require Network access for delivery to the user.

These products and services fall generically into two categories:

Basic Internet Access. Certain of the Company's target market customers will seek to subscribe to the Company's service solely to gain access to the Internet. These target market customers are likely to be independent truckers and others in the private sector, who seeks only basic email and informational access afforded by the Internet. For this portion of its target market, the Company offers InTouch(TM) ISP service. Depending on the customer, its size and number of users, the Company seeks a target monthly retail subscription fee of $24.95 per truck per month for basic Internet access.

Application Specific Productivity Software. Based on its management's experience and judgment that next generation commercial vehicle cost reductions and productivity improvements would come from driver-based decision support tools. SiriCOMM was founded as a wireless application service provider to supply productivity and cost reduction software applications to the commercial vehicle industry. For this target market segment, the Company has the following initial suite of proprietary productivity software tools available (the "Proprietary Software Productivity Tools"):

PULSE(TM): This is a passive wireless device connected to the vehicle ECM (engine control module) that is programmed with SiriCOMM software to provide trucking fleet operators with:

- Wireless, remote vehicle diagnostics
- Driver performance diagnostics
- Global Positioning System coordinates
- Host platform for other functions

The Company will charge $9.95 per truck per month for basic diagnostic information and $14.95 when GPS is included. The PULSE device, wholesale priced between $200 and $300 based on volume discount, can be installed OEM by truck manufacturers or installed on existing trucks.

BEACON(TM): This proprietary software service has been developed by the Company to address critical productivity needs of the trucking industry - i.e., cost reduction, productivity improvement, safety and security enhancements. The Beacon(TM) package includes InTouch(TM) and, when bundled with the Pulse(TM) product, enables substantially greater functionality. The initial suite of applications within Beacon includes:

E-freight bill	E-maintenance tracking
E-fuel network purchasing	E-Pay settlement
E-load finder	E-logbook
E-driver referral	

The monthly subscription of $49.95 per truck per month includes access to the entire suite of software (above), unlimited Internet access (InTouch(TM)). Based upon actual fleet information, the Company's Cost Justification Model can demonstrate expected savings of approximately $300 per truck per month. In addition, the Beacon platform can easily support expansion for other revenue opportunities to include:

- pay-per-view movies
- advertising
- networked gaming
- distance learning, etc.

No estimates have been made by management as to potential revenues which might be realized from such sources.

Fleet Private Network: (fleet intranet) This hosting service utilizes existing capabilities built into the RS to extend fleet operations to each hot spot. Fleets may post their secure fleet intranet sites. The hosting fee will be based upon the fleet's total monthly storage requirements. Fleet drivers will be required to have an InTouch(TM) subscription to access their secure intranet site.

Sales and Marketing. With its Network in place and operational in 38 states, the Company believes that the sales and marketing initiatives that it has undertaken while the Network was being installed will begin to generate substantial revenue. These efforts are two-pronged as follows:

Direct Sales. To market and sell its Proprietary Software Productivity Tools, the Company employs its own direct sales force. This direct sales force is primarily (i) marketing to the nation's larger commercial trucking fleet operators and (ii) following up in an effort to up-sell selected customers originated by the Company's sales and marketing alliance partners.

Alliance Partners/VAR's. The Company has succeeded in establishing, among others, the following sales and marketing alliance partners/value-added resellers (VAR's) in an effort to telescope the time period within which the Company and its Products and Services gain traction in their Target Markets. These are:

18

Idling Solutions. Through an exclusive agreement with Idling Solutions, LLC we provide data connectivity for one of the most innovative fuel conservation and anti-pollution system available to the trucking industry. Through a monthly subscription we will wirelessly extract and transmit data from each of the Idling Solutions-equipped vehicles to the Idling Solutions data center. With the data we deliver, Idling Solutions monitors the performance of its product and calculates Mobile-source Emissions Reduction Credits. We currently have an expression of interest from Idling Solutions for a 50,000 unit order, however, there is no assurance that Idling Solutions will complete the purchase of 50,000 units.

DriverTech. DriverTech, a Salt Lake City-based supplier of ruggedized vehicle computers for the U.S. military, has signed a Memorandum of Understanding ("MOU") with the Company. The MOU contemplates that, DriverTech's TruckPC, the commercial version of its military product that is in wide use in Iraq and Afghanistan, will use SiriCOMM's network as its primary communications medium. In addition, DriverTech will be a value-added reseller of SiriCOMM's BEACON(TM) products. The Company expects to sign a definitive agreement with DriverTech in the near future. The addition of BEACON(TM) gives TruckPC far greater functionality and portability. Presently, DriverTech has scheduled several major fleets, including Swift Transportation, to beta test its product. Retail pricing for the BEACON(TM) service is $49.95 while the connectivity only subscription price is $29.95.

Others. In connection with its strategic Network location agreements with Pilot, Love's, Petro and Freight and More/DIS these alliance partners have also entered into VAR arrangements with the Company to be resellers of the Company's products and services. The company anticipates similar arrangements as part of the services agreement with ACS.

SiriCOMM Outlook for Business Generation. SiriCOMM opened its Network for customer use in December 2004. As indicated in the Terms of the Offering, the Company believes that it will generate approximately $4.5 million in revenue for the fiscal year ended September 2006 and $25 million for the fiscal year ended September 2007. Based on its current costs of doing business and as such costs are expected to increase as its business ramps up, the Company believes that it should be operating profitably on a run-rate basis by the end of its fiscal 2006 year.

Competition. Based upon our business approach and pioneering technology, we believe that there currently are no direct competitors in the trucking or highway wireless Internet access market. However, competition is inevitable and we believe existing entities as well as new entities will enter the marketplace. Many of such entities will have substantially more funds, experience, employees and other resources than us. As a result, no assurances can be given that we will be able to compete with such entities. We, however, believe that we have certain technological advantages, and our affordable productivity tools, extensive industry experience, and patents pending present certain entry barriers for potential competitors. Notwithstanding, there are several competitors whose services "overlap" our service offerings to some extent. These include Qualcomm, PeopleNet, PSTN-based WLAN providers, and wireless telecommunications companies.

- Qualcomm. Qualcomm's satellite communications and tracking system provides Global Positioning System (GPS) truck locating and low bandwidth text messaging transmissions. Qualcomm currently has approximately 425,000 units installed worldwide. The system functions well, but offers limited benefits to companies according to many subscribers. Our management believes that this system is very costly to purchase, install, and operate. There is a minimum monthly messaging fee and additional charges per character when the minimum is exceeded.

- PeopleNet. PeopleNet provides web-based fleet communications ranging from GPS tracking only to low bandwidth text, voice and applications. PeopleNet operates on Aeris.Net's Microburst service, a technology that uses underutilized portions of partner cellular provider's channels to send and receive small packets of data. For fleets electing to install the full suite of equipment and services, PeopleNet offers several applications similar to our applications. However, as it is a low bandwidth solution it does not offer Internet, intranets, or other applications requiring higher bandwidth. Equipment costs and monthly service fees are comparatively high, though somewhat less than Qualcomm, and equipment installation must be performed at one of PeopleNet's hub facilities.

- PSTN-Based hot spot Providers. PSTN-based hot spot providers are companies that install hot spots using public switched telephone networks (PSTN), usually T-1 lines or digital subscriber lines, for access to the Internet. These businesses typically target business travelers with Internet and email access in airports, coffee shops and hotel lobbies. For example, Boingo, a nationwide hot spot aggregator, operates hot spots in locations convenient to business travelers and charges $21.95 per month for unlimited access. Though these providers are identified as competition, we anticipate developing roaming agreements with key identified hot spot providers.

Government Regulation and Industry Standards

Our products and services are currently not regulated by the FCC or local governments. The regulatory process in the United States can be time-consuming and can require the expenditure of substantial resources. There is no assurance that the FCC or state regulatory agencies will not seek to regulate the use of frequencies utilized by our services or, if such services are regulated, grant the requisite approvals for any of our products on a timely basis, or at all. The failure of our products to comply, or delays in compliance, with the various existing and evolving standards could negatively impact our ability to market our products and services. United States and state regulations regarding the manufacture and sale of modems and other data communications devices are subject to future change. We cannot predict what impact, if any, such changes may have on our business.

LEGAL PROCEEDINGS

On December 17, 2004, Henry Hoffman, Kory Dillman, David Mendez, Tom Noland, Richard Iler and Terry Thompson were named defendants in a lawsuit entitled Greg Sanders v. Henry Hoffman et al. Messrs. Hoffman, Dillman, Mendez and Iler are officers and directors of the Company, Mr. Thompson is a director of the Company and Mr. Noland is a former officer and director of the Company. The action was brought in the Circuit Court of Jackson County, Missouri at Kansas City (04CV236387). The action alleges fraud, misrepresentation and breach of fiduciary duty relating to a settlement agreement entered into between the Company and Mr. Sanders. The Company was not a party to this lawsuit. The complaint seeks damages in excess of $9,679,903. The defendants' filed a motion to dismiss which was denied by the Court. The defendants have subsequently filed counter claims against the plaintiff as part of their answer on August 18, 2005. Subsequently on February 8, 2006 the Plaintiff sought to amend the complaint to add the Company as a defendant. The Company has filed a motion in opposition of this petition. The Company will pay all expenses relating to the defense of this matter. In management's opinion this case is without merit and the defendants intend on defending this matter vigorously.

We are not a party to any other legal or administrative proceedings.

DESCRIPTION OF PROPERTY

Our principal executive offices are located at 2900 Davis Blvd., Suite 130 Joplin, MO 64804, where we occupy approximately 1,200 square feet of office space. Our rent for this space is $1,200 per month. We lease this space on a month-to-month basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Financial Statements and the related notes. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risks Relating to Our Business," "Description of Business" and elsewhere in this document. See "Forward-Looking Statements."

Background

SiriCOMM is an application service provider specializing in wireless Internet connectivity and productivity applications tailored to the highway transportation industry. The company is guided by its mission of helping truck fleets to improve productivity, reduce costs, increase safety, and strengthen security. To achieve that goal, SiriCOMM has deployed a network of SiriCOMM Wi-Fi hot spots at locations convenient to highway travelers. SiriCOMM's proprietary network, the foundation for its applications, delivers wireless broadband connectivity at a fraction of the cost of conventional wireless networks. By providing both Internet access and a robust application host platform, SiriCOMM delivers a more responsive and convenient way for all industry stakeholders to interact with information needed on a regular basis.

Presently, SiriCOMM's network is the most widely available wireless Internet access network built for the highway transportation market. To date we have installed over 300 Wi-Fi "hot spots" at major truck stops and weigh stations and have agreements with leading truck stop chains and weigh station operators such as Pilot Travel Centers ("Pilot"), Love's Travel Stops ("Loves"), Petro, Freight and More, Inc./DIS - Direct Internet Services and others to install access points at approximately 430 additional sites.

The Company's network technology is built upon a distributed server model that uses satellite for data backhaul. This architecture provides key advantages: 1) the network is truly go-anywhere and operates independently of any terrestrial-based communication infrastructure; 2) the satellite multicast features allows data to be simultaneously available at all SiriCOMM Wi-Fi hot spots; 3) bandwidth management is handled from a single location as opposed to multiple points that would be required by a nationwide terrestrial network; 4) the remote server makes each hot spot an extension of fleet operations; and, 5) proprietary technologies mitigate inherent weaknesses found in conventional satellite networks.

SiriCOMM completed phase one installations in 2004 and opened the network for business in December 2004. Initially, network access subscriptions were limited to only credit card sales through the company's web site. By June 2005 Pilot began offering cash point of sales (POS) subscriptions at its in-store registers.

We market our products and services principally through assorted value added reseller agreements and a direct sales force. As the trucking industry is highly fragmented and comprises many small to medium-sized fleets, we use numerous resellers to maximize our sales reach. Our direct sales force is focused on the large fleets as well as coordinating the efforts of our value added resellers.

Currently we are continuing to concentrate our sales efforts on InTouch(TM) while installing additional hot spots across the country. Sales of Pulse and Beacon will commence once nationwide network density reaches 400-500 sites.

Our senior management team, led by CEO Henry (Hank) Hoffman and composed primarily of the founders of the Company, has significant experience in both the transportation and communications industries.

We were incorporated as a Delaware corporation under the name DFW Technologies, Inc., Inc., in March 1989. In 1992, DFW Technologies, Inc. changed their name to Fountain Pharmaceuticals, Inc. In approximately November 2002, the shareholders of SiriCOMM, Inc., a privately-held Missouri corporation, incorporated in 2000 ("SiriCOMM Missouri"), exchanged all of the issued and outstanding common stock of SiriCOMM Missouri for a controlling interest in Fountain Pharmaceuticals, Inc. (the "Reverse Transaction"). As part of the Reverse Transaction, all of the then officers and directors of Fountain Pharmaceuticals, Inc. resigned and were replaced by persons designated by SiriCOMM Missouri and the name of Fountain Pharmaceuticals, Inc. was changed to SiriCOMM, Inc. As a result of the Reverse Transaction, SiriCOMM Missouri became a wholly-owned subsidiary of the Company and the prior shareholders of SiriCOMM Missouri became the controlling shareholders, officers and directors of the Company.

Our corporate address is 4710 East 32nd Street, Joplin, Missouri 64804, our telephone number is 417-626-9971, and our fax number is 417-782-0475.

21

Critical Accounting Policies and Estimates:

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We evaluate our estimates, including those related to contingencies, on an ongoing basis. We base our estimates on historical experience and on various other assumptions 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 or conditions.

We believe the following critical accounting policy, among others; involve the more significant judgments and estimates used in the preparation of our consolidated financial statements:

The Company accounts for compensation costs associated with stock options and warrants issued to non-employees using the fair-value based method prescribed by Financial Accounting Standard No. 123 - Accounting for Stock-Based Compensation. The Company uses the trinomial options-pricing model to determine the fair value of these instruments as well as to determine the values of options granted to certain lenders by the principal stockholder. The following estimates are used for grants in fiscal year 2006: Expected future volatility over the expected lives of these instruments is estimated to mirror historical experience of 75%; expected lives of 1-2 years is estimated based on management's judgment of the time period by which these instruments will be exercised.

Information Relating To Forward-Looking Statements

When used in this Report on Form 10-QSB, the words "may," "will," "expect," "anticipate," "continue," "estimate," "intend," "plans", and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding events, conditions and financial trends which may affect the Company's future plans of operations, business strategy, operating results and financial position. Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors include, among others: (i) the Company's ability to obtain additional sources of capital to fund continuing operations; in the event it is unable to timely generate revenues (ii) the Company's ability to retain existing or obtain additional licensees who will act as distributors of its products; (iii) the Company's ability to obtain additional patent protection for its technology; and (iv) other economic, competitive and governmental factors affecting the Company's operations, market, products and services. Additional factors are described in the Company's other public reports and filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

Fair Value of Equity Instruments

The valuation of certain items, including valuation of warrants or restricted stock that may be offered as compensation for goods or services received within its contracts, involve significant estimations with underlying assumptions judgmentally determined. Warrants are valued using the most reliable measure of fair value, such as the value of the goods or services rendered, if obtainable, if such value is not readily obtainable, the valuation of warrants and stock options are then based upon a trinomial valuation model, which involves estimates of stock volatility, expected life of the instruments and other assumptions. As the Company's stock is thinly traded, the amounts recorded for equity instruments, which are based partly on historical pricing of the Company's stock, are subject to the assumption used by management in determining the fair value.

Results of Operations

For the Three Months Ended December 31, 2005, and 2004

Revenues

SiriCOMM generated revenues of $153,952 for the three months ending December 31, 2005 while generating revenues of only $6,273 during the same period ending December 31, 2004. Revenues were solely derived from the Company's offering of its InTouch Internet service. Limited advertising has been conducted to date and no assurances can be offered that the Company will generate future revenues from the offering of the In Touch service.

Operating Expenses

Our operating expenses consist of product research and development costs, general and administrative, selling, depreciation and amortization, as well as amortization of long-term intangible assets. During the three months ended December 31, 2005, net operating losses totaled $870,400 as compared to net operating losses of $493,015 for the three months ended December 31, 2004.

The Company has increased its number of employees in accounting, software development and customer service which has contributed to the increase in net operating losses. These expenses are necessary to increase the Company's infrastructure, support the InTouch service and improve the Company's administration.

General and Administrative Expenses

Our General and Administrative expenses consist of corporate overhead costs, administrative support, professional fees and amortization of prepaid consulting fees. For the three months ending December 31, 2005, SiriCOMM's general and administrative expenses totaled $326,100, or 31.8% of total operating expenses, while for the three months ended, December 31, 2004 general and administrative expenses totaled $150,193 or 30.1% of total operating expenses. General and administrative expenses increased as a result of the Company's engaging an investor relations and network maintenance costs which contributed principally to the net operating loss.

Salaries

For the three months ending December 31, 2005, SiriCOMM incurred salaries of $317,696, representing 31.0% of operating expenses, as compared to $235,337, or 47.1%, of total operating expenses for the three months ended December 31, 2004. The Company has increased its personnel in accounting and customer support to operate its InTouch ISP service.

Satellite Access Fees

With the opening of the network for introduction of its InTouch service, the Company will incur bandwidth costs associated with providing this service and its other products. The contract with its satellite provider provides for a fixed monthly cost per site which will increase as the Company adds additional sites. Satellite access fees for the three months ending December 31, 2005 were $246,543, or 24.1% of total operating expenses, as compared to $93,870, or 18.8% of total operating expenses, for the three months ending December 31, 2004. With the signing of an agreement with Sat-Net in February 2005, the Company is now amortizing intangible satellite access that was the benefit derived from this agreement. The Company expensed $126,009 as the non-cash amortization for the three months ending December 31, 2005.

Depreciation and Amortization

Depreciation expense was $127,291 for the three month period ending December 31, 2005 as compared to $7,288 for the same period ending December 31, 2004 due to the increase in the network infrastructure.

23

Interest Expense

For the three months ending December 31, 2005, interest expense was $10,477 as compared to $4,460 during the three months ended December 30, 2004. The increase in interest expense is attributable to the Company increasing its borrowing on its equipment line to $385,435 from $309,604 during the same period ending December 31, 2004, and an increase in interest rates.

For the years ended September 30, 2005 and 2004

Revenues

SiriCOMM generated revenues of $193,741, for the fiscal year ending

September 30, 2005 while not generating any revenues during fiscal year 2004. Revenues were solely derived from the Company's offering of its In Touch Internet service. In late June, Pilot Travel Centers introduced the Company's In Touch Service as a cash point of purchase transaction at the registers to facilitate purchases. Previously, the Company was limited to accepting only credit card purchases. Limited advertising has been conducted to date and no assurances can be offered that the Company will generate any meaningful revenues from the offering of the In Touch service in the future.

Operating Expenses

Our operating expenses consist of product research and development costs, general and administrative, selling, depreciation and amortization, as well as amortization of long-term prepaid assets as compared to the same period in 2004.

During fiscal year 2005, net operating losses totaled $3,236,245 as compared to net operating losses of $2,585,327 for 2004.

The Company has increased its number of employees in accounting, software development and customer service which have contributed to the increase in net operating losses. These expenses were necessary to build the Company's infrastructure, support the In Touch service and improve the Company's Corporate Governance.

General and Administrative Expenses

Our General and Administrative expenses consist of corporate overhead costs, administrative support, professional fees and amortization of prepaid consulting fees.

For fiscal year 2005, SiriCOMM's general and administrative expenses totaled $1,199,045, or 35.0% of total operating expenses, while for 2004 general and administrative expenses totaled $1,823,959 or 70.6% of total operating expenses. For 2005 and 2004, $300,840 and $0, respectively, of general and administrative expenses represents a non-cash vesting of consulting fees paid by the issuance of stock which was granted in 2004. Accounting and legal fees increased during 2005 by $105,865 due to the Company's filing of a Registration Statement on Form SB-2.

Salaries

For fiscal year 2005, SiriCOMM incurred salaries of $1,112,889, representing 32.4% of operating expenses, as compared to $663,115, or 25.6%, of total operating expenses for 2004. The Company hired an additional nine employees including a Controller since the same period ending September 30, 2004.

Satellite Access Fees

Satellite access fees have been incurred as a result of the Company's launching its proprietary network, expenses were realized for fiscal year 2005 of $711,702 or 20.7% of operating expenses. The non-cash component of the satellite access fees for fiscal year 2005 was $378,027. The Company had not yet launched the Network, thus no satellite access fees had been incurred during 2004.

Research and Development

Research and development costs increased $23,810 during fiscal year 2005 to $50,260 compared to $26,450 for 2004. The 2004 costs were low compared to 2005 due to a credit received for services from a consultant that is aiding in the development of the wireless network.

Depreciation and Amortization

Depreciation expense was $356,090 or 10.4% of operating expenses for fiscal year 2005 as compared to $21,803 or 0.8% of operating expenses for 2004. The increase is attributable to extensive expansion and installation of network equipment.

Interest Expense

For fiscal year 2005, interest expense was $26,593 as compared to $26,578 during 2004. The nominal change in interest expense is attributable to the Company increasing its borrowing on its line of credit during 2005 but conversely had paid other notes off during the latter part of 2004 and early in 2005.

The valuation of certain items, including valuation of warrants or restricted stock that may be offered as compensation for goods or services received within its contracts, involve significant estimations with underlying assumptions judgmentally determined. Warrants are valued using the most reliable measure of fair value, such as the value of the goods or services rendered, if not obtainable, if such value is not readily obtainable, the valuation of warrants and stock options are then based upon a trinomial valuation model, which involves estimates of stock volatility, expected life of the instruments and other assumptions. As the Company's stock is thinly traded, the amounts recorded for equity instruments, which are based partly on historical pricing of the Company's stock, are subject to the assumptions used by management in determining the fair value.

Liquidity

We continue to finance our operations entirely from invested funds and limited borrowing for capital expenditures. No assurances can be given that revenues will increase sufficiently to cover operating expenses or that the Company can continue to attract capital under terms favorable to it shareholders.

As of December 31, 2005, our current assets including cash and cash equivalents, investments, accounts receivables and other current assets amounted to approximately $780,060. Current liabilities amounted to $1,349,158 and include notes payable to Southwest Missouri Bank and Sunflower Capital, LLC, accounts payable, accrued salaries, and other accrued expenses.

On February 13, 2006 we retired the note payable to Southwest Missouri Bank by paying them $389,793, representing the principal and interest due under the note on that date. This loan was secured by various assets of the Company which were released upon making the payment.

On February 8, 2006 the Company opened a $500,000 line of credit with Liberty Bank of Springfield, Missouri. The loan is secured by a six month certificate of deposit, which earns interest at the rate of 4.25%, deposited with Liberty Bank in the same amount. The interest rate on this line of credit is 5.25% on the outstanding principal balance. The line of credit has a six month term expiring on August 7, 2006.

To date, the Company has not take any advances under this line of credit. The Company anticipates drawing against the line of credit when necessary for general corporate purposes, including the purchase of additional wireless equipment.

As an emerging wireless applications services provider, we are involved in a number of business development projects, continued network installation and general operating capital requirements that will continue to require external capital to finance the Company as it introduces its applications within its business model. No assurances can be given as to the industry's willingness to purchase the Company's products or services.

25

As described below, the Company completed a private placement whereby the Company sold Units at an aggregate purchase price of $5,396,103, which netted the Company approximately $5,000,000. The Company believes this capital is sufficient to fund its operations for a period of no less than twelve months, during which time the Company expects to achieve positive cash flow and will not need to raise additional capital to fund its planned operations.

The Company to date has only introduced its InTouch Internet Service which is offered through its installations within the 275 Pilot Travel Centers. Month-to-month revenues have increased by 15-20%, evidenced as growth in revenues grew from $6,000 to $154,000 for the same period for periods ended December 2005 and December 2004 respectively With the installation of Love's Travel Centers and Petro Truckstops expected to be completed by April 30, 2006, this will bring total installations to 432. The Company is similarly of the belief that it will achieve positive cash flow for operations from InTouch singularly with these installations as of early summer 2006. Our current rate for using capital for quarter ended December 31, 2005 versus December 31, 2004 was $572,000 compared to $362,000 for the comparable period.

The Company has expressed that a density of hotspots of 400-500 sites would enable it to introduce its other product lines through the installation of Love's and Petro thus, enabling the Pulse product to be introduced. The Company believes that orders for its Pulse Box product will generate revenues within 60 days. This will produce recurring subscription revenues as well. As expressed in its Form 8-K, the Company believes that Idling Solutions' orders will generate sales of nearly 20,000 units by calendar year-end 2006. On an annual adjusted basis, this will translate to $6,600,000 with a margin of $600,000 and recurring revenue of $3 per truck per month as installations occur.

The Company expects to expend about $2,500,000 to install an additional 625 sites. The Company believes that the nearly $2,000,000 it has in addition to these capital requirements are sufficient to offset non-recurring expenditures or any adverse variances in operating expenses.

As we continue to ramp-up our business and obtain new ISP contracts, the Company believes that it has adequate liquidity and that we can achieve profitability in 2006. The Company is dedicating its efforts currently to building its Internet Service and growing its network site density in order to facilitate the launch of its other planned software products.

Capital Resources

On December 27, 2005, the Company entered into a Loan Agreement with Sunflower Capital, LLC. The loan is in the principal amount of $500,000 and is evidenced by a Convertible Promissory Note due July 1, 2006. As consideration for Sunflower making the loan, the Company issued to Sunflower a warrant to purchase 200,000 shares of the Company's common stock at $1.26 per share. The warrant expires December 15, 2010. The estimated fair value of the warrants required a discount of $76,271 be recorded against the note. This discount will be expensed over the life of the loan.

The Note mandatorily converts into the Company's units consisting of one share of common stock and one redeemable common stock purchase warrant exercisable at $1.50 per share during the period commencing on the date of issuance and expiring five (5) years thereafter. As discussed below, the Note converted into such units at the rate of $1.15 per unit on February 1, 2006.

On January 31, 2006, the Company consummated the private placement of its securities pursuant to a Placement Agent Agreement entered into between it and Sanders Morris Harris, Inc. as Placement Agent dated December 12, 2005. The securities sold were units consisting of one share of the Company's common stock, $.001 par value and one redeemable Common Stock purchase warrant. At the closing, the Company sold an aggregate of 4,692,263 Units at an aggregate purchase price of $5,396,103 or $1.15 per unit. At the closing, the Company delivered an aggregate of 4,692,263 Shares and 4,692,263 Warrants to the purchasers.

Each Warrant entitles the holder to purchase one Share of Common Stock at an exercise price of $1.50 per share commencing on the date of issuance and expiring at the close of business on the fifth anniversary of the issuance date.

The Warrants contain provisions that protect the holder against dilution by adjustment of the exercise price in certain events including, but not limited to, stock dividends, stock splits, reclassifications, or mergers. The Company may redeem the Warrants, at a price of $.10 per Warrant, at any time following the issuance date upon not less than 30 days nor more than 60 days prior written notice if (a) the Common Stock underlying the Warrants has been registered with the SEC, and (b) the closing price of the Common Stock exceeds a 200% premium of the exercise price of the Warrants for 20 out of 30 consecutive trading days.

In connection with the private placement, Sanders Morris Harris, Inc., the placement agent in the private placement, received a commission equal to 5% of the offering price of the units sold by them in the private placement, a commission equal to 2 1/2% on the 1,764,872 units by Sunflower Capital and a financial advisory fee equal to 2% of the offering price of the units sold in the private placement and a warrant to purchase 234,613 shares of common stock, or 5% of the units sold in the private placement. The warrants are exercisable for a period of five years at an exercise price of $1.15 per share and contain the same anti-dilution rights as the common stock warrant issued in the January 2006 private placement.

As part of the Private Placement, the Company entered into a registration rights agreement with each subscriber who purchased Units in the Private Placement. Under the Registration Rights Agreement, the Company, as promptly as reasonably practicable after closing of the Private Placement but in no event later than 30 days following the closing, the Company is obligated to file a registration statement on Form SB-2, relating to the resale by the holders of the Common Stock underlying the Units, Warrants and Placement Agent Warrant. If such Registration Statement is not filed within the required time frame, or does not become effective within 90 days after closing (or 120 days after closing, if the Registration Statement is subject to review by the SEC), the Company has agreed to pay to the investors 1% of the gross proceeds of the offering for each month in which the Company fails to comply with such requirements.

Sunflower Capital, LLC, a limited liability company managed by William P. Moore, a director of the Company, purchased an aggregate of 1,764,872 Units in the offering, which consisted of a new investment of $1,525,000 to purchase

1,326,087 Units and the conversion of the Note plus accrued interest in the amount of $4,602 to purchase 438,785 Units.

The aforementioned securities have been and will be issued under the exemption from registration provided in Section 4(2) of the Act.

The cash proceeds of the above sales of securities of the Company will be used for general corporate purposes in developing the Company's planned services.

Contractual Obligations and Commercial Commitments

Contractual obligations as of December 31, 2005 are as follows:

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 ye
Line of credit and note payable	$ 809,164	$ 809,164	$ -	$ -	$ -
Operating leases	-	-	-	-	-
Total contractual cash obligations	$ 809,164	$ 809,164	$ -	$ -	$ -

Recent Accounting Pronouncements

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), Share-Based Payment, which is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash Flows. The approach to accounting for share-based payments in Statement 123(R) is similar

to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values and no longer allows pro forma disclosure as an alternative to financial statement recognition. The Company will be required to adopt Statement 123(R) in the first quarter of its year ending September 30, 2007. The Company has not determined what financial statement impact Statement 123(R) will have on the Company.

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On April 7, 2004, based upon the recommendation of and approval by our board of directors, we dismissed Aidman Piser & Company, P.A. ("Aidman Piser") as our independent auditor and engaged BKD, LLP to serve as our independent auditor for the fiscal year ending September 30, 2004. On May 11, 2004, at the annual shareholders meeting, our shareholders affirmed the engagement of BKD, LLP as our independent auditors.

Aidman Piser's reports on our consolidated financial statements for the fiscal year ended September 30, 2003, contained a qualified opinion as to our ability to continue as a "going concern" in our absence of revenues, or the ability to attract additional capital. During the years ended September 30, 2003 and 2002 and through April 7, 2004, there were no disagreements with Aidman Piser on any matter of accounting principle or practice, financial statement disclosure or auditing scope or procedure, which, if not resolved to Aidman Piser's satisfaction, would have caused them to make references to the subject matter in connection with their reports of our consolidated financial statements for such years. In addition, we believe there were no reportable events as defined in Item 304(a)(1)(iv)(B) of Regulation S-B.

We provided Aidman Piser with a copy of the foregoing statements and requested that Aidman Piser provide it with a letter addressed to the SEC stating whether it agrees with the foregoing statements. A copy of Aidman Piser's letter, dated April 7, 2004, was filed as Exhibit 16.1 to our Current Report on Form 8-K filed with the SEC on April 12, 2004.

28

MANAGEMENT

The Company's Board of Directors currently consists of six directors. Set forth below is certain information regarding our directors and key executive officers.

Name	Age	Position	Director Since
Henry P. (Hank) Hoffman	54	President, CEO and Chairman	2002
David N. Mendez	45	Executive Vice President - Sales and Marketing; Director	2002
Kory S. Dillman	35	Executive Vice President - Internet Business Development; Director	2002
J. Richard Iler	53	Chief Financial Officer; Director	2003
Terry W. Thompson	55	Director	2003
William P. Moore	60	Director	2005

Directors are elected to serve until the next Annual Meeting of shareholders and until their successors have been elected and qualified. The Company's officers are appointed by the Board of Directors and hold office at the will of the Board.

Henry P. (Hank) Hoffman

Mr. Hoffman was appointed President and CEO of the Company on November 21, 2002. On that same date Mr. Hoffman was elected to the Board of Directors of the Company and to serve as its Chairman. Mr. Hoffman co-founded SiriCOMM in January 2000 and has been its President, CEO and Chairman since SiriCOMM's inception. Mr. Hoffman has over twenty years experience in the transportation industry. From September 1, 1996 to January 21, 2000 Mr. Hoffman was President and Chief Operating Officer of Hook Up, Inc. of Joplin, MO, a small niche motor carrier.

From 1990 to 1995 Mr. Hoffman was President and COO of Tri-State Motor Transit, the nation's largest transporter of munitions for the U.S. Government.

Prior to his term at Tri-State, he served in several Operations/Management positions with both Schneider National, Inc. and Viking Freight System. As an industry leader he has been a Vice President of the American Trucking Association, President and Chairman of the Board of the Munitions Carriers Conference, member of the Board of Directors of the National Automobile Transporters Association, and Forum Co-Chairman of the National Defense Transportation Association. Prior to his trucking industry career, Mr. Hoffman served as an officer in the United States Army Field Artillery for six years where he completed two command assignments. Mr. Hoffman earned a Bachelor of Science degree from the United States Military Academy, West Point, NY and a Master of Business Administration from the University of Wisconsin, Oshkosh, WI.

David N. Mendez

Mr. Mendez was appointed Executive Vice President - Sales and Marketing on November 21, 2002. On that same date Mr. Mendez was also elected a director of the Company. Mr. Mendez co-founded SiriCOMM in April 2000 and has been its Executive Vice President Sales and Marketing and a director since SiriCOMM's inception. Mr. Mendez has over nine years experience in telecommunications sales and marketing. Mr. Mendez's telecommunications expertise focuses on domestic and international data communication networks including Frame Relay and ATM infrastructures and Internet and intranet networks. From October 1998 to February 2000 he was National Sales Manager for DRIVERNet where he managed such national accounts as Ford, Kenworth, Peterbilt, Paccar Corporation, and Cue Paging. From 1995 to 1998 Mr. Mendez worked as a Major Account Manager for Sprint. Mr. Mendez graduated with a Bachelor of Science degree from Southwest Missouri State University, Springfield, MO.

Kory S. Dillman

Mr. Dillman was appointed Executive Vice President - Internet Business Development on November 21, 2002. On that same date Mr. Dillman was also elected a director of the Company. Mr. Dillman co-founded SiriCOMM in April 2000 and has been its Executive Vice President - Internet Business Development and a director since SiriCOMM's inception. From 1996 to 1999 Mr. Dillman was Creative Director for DRIVERNet. In that position he produced intranet and Internet applications for DRIVERNet and its customers. He developed specific web-based products for Volvo Trucks North America, Ambest, Petro Travel Centers, Pilot Travel Centers, Caterpillar Engines, and TravelCenters of America. Prior to joining DRIVERNet, Mr. Dillman was Art Director for Wendfall Productions. In this position he managed development for interactive gaming and mixed-mode CD's for Sony Music and Ardent Records. Mr. Dillman earned a Bachelor of Fine Arts degree from the University of Tulsa, Tulsa, OK.

J. Richard Iler

Mr. Iler was appointed Chief Financial Officer and elected to the Board of Directors in April 2003. From 2001 through 2003, Mr. Iler was managing director of a private equity fund responsible for financing activities, management consulting and investor relations of the funds portfolio companies and served as a management consultant to SiriCOMM, Inc from June 2002 to the time of his appointment in April 2003. From 1998 through 2001, Mr. Iler was Chief Financial Officer of United American e-Health Technologies, a publicly traded company, which he assisted in raising capital and preparation of regulatory filings. Mr. Iler graduated from Grand Valley State University in Allendale, Michigan with a B.S. and attended South Texas College of Law in Houston, Texas.

Terry W. Thompson

Mr. Thompson was elected to the Board of Directors in August 2003. In 2002, Mr. Thompson retired as President of Jack Henry and Associates, a provider of integrated computer systems and processor of ATM and debit card transactions for banks and credit unions. Mr. Thompson joined Jack Henry in 1990 as Chief Financial Officer and was appointed President in 2001 guiding the Company from $15 million in revenues to more than $365 million and from 98 employees to 2300 employees. Mr. Thompson was named Chairman of the Company's Audit Committee and serves as its financial expert and will serve on the Company's newly created Compensation Committee.

William P. Moore

William P. Moore was elected to the Board of Directors in May 2005 and has served as a member of the Audit Committee and will serve on the Company's newly created Compensation Committee. Mr. Moore has pursued a career as an entrepreneur since 1980, when he founded Continental Exploration, Inc., an oil and gas exploration company operating in the Eastern Kansas. In 1990, he acquired a significant ownership position in Crude Marketing, Inc., a newly formed company which purchased crude oil at the wellhead in Eastern Kansas, transported the oil by truck to pipeline terminals, and sold it to major oil refining companies. In 1995, Mr. Moore co-founded Continental Coal, Inc. which operates surface coal mines in Western Missouri and Eastern Kansas. In 2003, Mr. Moore co-founded Watersports, LLC which owns and operates a cable wakeboard lake and other recreational facilities in the Kansas City area. More recently, he co-founded Sunflower Energy, LLC, an oil and gas exploration company operating in Western Kansas.

Mr. Moore graduated from the United States Military Academy, West Point, New York, in 1967 with a Bachelor of Science degree. Following four years of military service, including nineteen months in the Republic of South Vietnam, Mr. Moore enrolled at Harvard University where he received a Master of Business Administration degree in 1973.

EXECUTIVE COMPENSATION

Summary Compensation Table

The table below shows certain compensation information for services rendered in all capacities for the fiscal years ended September 30, 2003, 2004 and 2005. Other than as set forth herein, no executive officer's salary and bonus exceeded $100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

SUMMARY COMPENSATION TABLE

	Annual Compensation			Lo Co
Name and Principal Position	Fiscal Year Ended September 30	Salary ($)	Bonus ($)	O
Henry P. Hoffman	2005	$ 218,750(a)	-	
President, CEO and Chairman	2004	175,000(b)	-	

	2003	150,000	-
David N. Mendez	2005	$ 161,458(a)	-
EVP-Sales and Marketing;	2004	125,000(c)	-
Director	2003	125,000	-
Kory S. Dillman	2005	$ 161,458(a)	-
EVP-Internet Business	2004	125,000(c)	-
Development; Director	2003	125,000	-
J. Richard Iler	2005	$ 130,000	-
Chief Financial Officer;	2004	75,831	-
Director	2003	-	-

(a) reflects payments of accrued and unpaid salary of $43,750 to Mr. Hoffman and $36,458 each to Messrs. Dillman and Mendez.
(b) includes $93,750 in accrued and unpaid compensation.
(c) includes $78,125 each in accrued and unpaid salary.

Employment Contracts

We have employment agreements with three of our executive officers, Henry P. Hoffman, David N. Mendez and Kory S. Dillman.

Mr. Hoffman's employment agreement, dated February 19, 2002 had an initial term of three (3) years and a base annual salary of $150,000 and was increased to $175,000 in 2004. Thereafter, the agreement automatically renews for additional one-year periods. Bonuses, if any, are to be paid at the sole discretion of our Compensation Committee.

Mr. Mendez' employment agreement, dated February 19, 2002 had an initial term of three (3) years and a base annual salary of $125,000. Thereafter, the agreement automatically renews for additional one-year periods. Bonuses, if any, are to be paid at the sole discretion of our Compensation Committee .

Mr. Dillman's employment agreement, dated February 19, 2002 had an initial term of three (3) years and a base annual salary of $115,000, which has been increased to $125,000. Thereafter, the agreement automatically renews for additional one-year periods. Bonuses, if any, are to be paid at the sole discretion of our Compensation Committee.

Stock Options

OPTIONS/SAR GRANTS TABLE

Option/SAR Grants in the Last Fiscal Year
Individual Grants

Name and Principal Position	Fiscal Year	Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year
Henry P. Hoffman	2005	-0-	0.0%
President, CEO and Chairman of the Board	2004	-0-	0.0%

David N. Mendez	2005	-0-	0.0%
EVP- Sales and Marketing and Director	2004	-0-	0.0%
Kory S. Dillman	2005	-0-	0.0%
EVP - Internet Business Development and Director	2004	-0-	0.0%
J. Richard Iler	2005	15,000	11.0%
Chief Financial Officer and Director	2004	145,000	46.8%

OPTIONS/SAR EXERCISES AND YEAR-END VALUE TABLE

Aggregated Options/SAR Exercises in Last Fiscal Year and FY-End Options/SAR Value

Name and Principal Position	Fiscal Year	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Unexercised Options/SARs FY-End (#) Exercisable Unexercisabl
Henry P. Hoffman	2005	-0-	-0-	(E)-0- / (U)
President, CEO and Chairman of the Board	2004	-0-	-0-	(E)-0- / (U)
David N. Mendez	2005	-0-	-0-	(E)-0- / (U)
EVP- Sales and Marketing and Director	2004	-0-	-0-	(E)-0- / (U)
Kory S. Dillman	2005	-0-	-0-	(E)-0- / (U)
EVP - Internet Business Development and Director	2004	-0-	-0-	(E)-0- / (U)
J. Richard Iler	2005	1,500	$ 1,560	(E)155,000/(U)
Chief Financial Officer and Director	2004	3,500	$13,045	(E)141,500/(U)

32

Compensation of Directors

On December 20, 2005, the Board authorized the following compensation package for its independent board members:

- Annual Cash Retainer - $5,000 per fiscal year
- Meeting Fee - $1,000 plus reasonable travel-related expenses for on-site board meetings and/or on-site committee meetings, and $500 for meetings conducted or attended by telephone.

Stock Options. New independent board members receive an initial grant of twenty-five thousand (25,000) options to purchase Common Stock. The options vest over thirty months in the following manner: (i) 10,000 options in six (6) months from date of election; (ii) 7,500 options on the eighteen-month anniversary of the date of election; and (iii)7,500 options on the thirty-month anniversary of the date of election. Each of these options will be priced at 110% of the market price of the Company's common stock at the date of issuance. In addition, on their anniversar