

Shmunis Vladimir
Form 4
September 13, 2018

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Shmunis Vladimir

2. Issuer Name and Ticker or Trading Symbol
RingCentral Inc [RNG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O RINGCENTRAL, INC., 20
DAVIS DRIVE

3. Date of Earliest Transaction
(Month/Day/Year)
09/11/2018

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO & Chairman

(Street)
BELMONT, CA 94002

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Class A Common Stock	09/11/2018		C ⁽¹⁾	16,897	A \$ 0	315,671	D
Class A Common Stock	09/11/2018		S ⁽²⁾	14,974	D \$ 96.16	300,697	D
Class A Common Stock	09/11/2018		S ⁽²⁾	1,923	D \$ 97.05	298,774	D
Class A Common	09/12/2018		C ⁽¹⁾	16,900	A \$ 0	315,674	D

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Stock								
Class A Common Stock	09/12/2018		S ⁽²⁾	2,840	D	\$ 94.9 (5)	312,834	D
Class A Common Stock	09/12/2018		S ⁽²⁾	8,924	D	\$ 95.82 (6)	303,910	D
Class A Common Stock	09/12/2018		S ⁽²⁾	5,136	D	\$ 96.66 (7)	298,774	D
Class A Common Stock	09/13/2018		C ⁽¹⁾	16,901	A	\$ 0	315,675	D
Class A Common Stock	09/13/2018		S ⁽²⁾	7,710	D	\$ 94.59 (8)	307,965	D
Class A Common Stock	09/13/2018		S ⁽²⁾	6,087	D	\$ 95.67 (9)	301,878	D
Class A Common Stock	09/13/2018		S ⁽²⁾	1,175	D	\$ 96.25 (10)	300,703	D
Class A Common Stock	09/13/2018		S ⁽²⁾	1,829	D	\$ 97.4 (11)	298,874	D
Class A Common Stock	09/13/2018		S ⁽²⁾	100	D	\$ 98.1	298,774	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
									Number of Shares

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Stock Option (right to buy)	\$ 1.1	09/11/2018	M	4,677	(12)	01/18/2020	Class B Common Stock	4,
Class B Common Stock	(13)	09/11/2018	M	4,677	(13)	(13)	Class A Common Stock	4,
Class B Common Stock	(13)	09/11/2018	C(1)	4,677	(13)	(13)	Class A Common Stock	4,
Stock Option (right to buy)	\$ 6.78	09/11/2018	M	12,220	(12)	09/25/2022	Class B Common Stock	12,
Class B Common Stock	(13)	09/11/2018	M	12,220	(13)	(13)	Class A Common Stock	12,
Class B Common Stock	(13)	09/11/2018	C(1)	12,220	(13)	(13)	Class A Common Stock	12,
Stock Option (right to buy)	\$ 1.1	09/12/2018	M	4,677	(12)	01/18/2020	Class B Common Stock	4,
Class B Common Stock	(13)	09/12/2018	M	4,677	(13)	(13)	Class A Common Stock	4,
Class B Common Stock	(13)	09/12/2018	C(1)	4,677	(13)	(13)	Class A Common Stock	4,
Stock Option (right to buy)	\$ 6.78	09/12/2018	M	12,223	(12)	09/25/2022	Class B Common Stock	12,
Class B Common Stock	(13)	09/12/2018	M	12,223	(13)	(13)	Class A Common Stock	12,
Class B Common Stock	(13)	09/12/2018	C(1)	12,223	(13)	(13)	Class A Common Stock	12,
Stock Option (right to buy)	\$ 1.1	09/13/2018	M	4,678	(12)	01/18/2020	Class B Common Stock	4,

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Class B Common Stock	<u>(13)</u>	09/13/2018	M	4,678	<u>(13)</u>	<u>(13)</u>	Class A Common Stock	4,
Class B Common Stock	<u>(13)</u>	09/13/2018	C ⁽¹⁾	4,678	<u>(13)</u>	<u>(13)</u>	Class A Common Stock	4,
Stock Option (right to buy)	\$ 6.78	09/13/2018	M	12,223	<u>(12)</u>	09/25/2022	B Common Stock	12,
lass B Common Stock	<u>(13)</u>	09/13/2018	M	12,223	<u>(13)</u>	<u>(13)</u>	Class A Common Stock	12,
lass B Common Stock	<u>(13)</u>	09/13/2018	C ⁽¹⁾	12,223	<u>(13)</u>	<u>(13)</u>	Class A Common Stock	12,
Class B Common Stock	<u>(13)</u>				<u>(13)</u>	<u>(13)</u>	Class A Common Stock	5,89
Class B Common Stock	<u>(13)</u>				<u>(13)</u>	<u>(13)</u>	Class A Common Stock	7,
Class B Common Stock	<u>(13)</u>				<u>(13)</u>	<u>(13)</u>	Class A Common Stock	7,
Class B Common Stock	<u>(13)</u>				<u>(13)</u>	<u>(13)</u>	Class A Common Stock	1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shmunis Vladimir C/O RINGCENTRAL, INC. 20 DAVIS DRIVE BELMONT, CA 94002	X	X	CEO & Chairman	
Shmunis Sandra C/O RINGCENTRAL, INC. 20 DAVIS DRIVE BELMONT, CA 94002		X		

ELCA Fund I, LP
 C/O RINGCENTRAL, INC. X
 20 DAVIS DRIVE
 BELMONT, CA 94002

ELCA, LLC
 C/O RINGCENTRAL, INC. X
 20 DAVIS DRIVE
 BELMONT, CA 94002

ELCA Fund II, LP
 C/O RINGCENTRAL, INC. X
 20 DAVIS DRIVE
 BELMONT, CA 94002

ELCA Fund III, LP
 C/O RINGCENTRAL, INC. X
 20 DAVIS DRIVE
 BELMONT, CA 94002

Signatures

/s/ Bruce P. Johnson, Attorney-in-fact for Vladimir Shmunis	09/13/2018
__Signature of Reporting Person	Date
/s/ Bruce P. Johnson, Attorney-in-fact for Sandra Shmunis	09/13/2018
__Signature of Reporting Person	Date
/s/ Bruce P. Johnson, Attorney-in-fact for Sandra Shmunis, a Managing Member of ELCA, LLC, the General Partners of ELCA Fund I, L.P.	09/13/2018
__Signature of Reporting Person	Date
/s/ Bruce P. Johnson, Attorney-in-fact for Sandra Shmunis, a Managing Member of ELCA, LLC	09/13/2018
__Signature of Reporting Person	Date
/s/ Bruce P. Johnson, Attorney-in-fact for Sandra Shmunis, a Managing Member of ELCA, LLC, the General Partner of ELCA Fund II, L.P.	09/13/2018
__Signature of Reporting Person	Date
/s/ Bruce P. Johnson, Attorney-in-fact for Sandra Shmunis, a Managing Member of ELCA, LLC, the General Partner of ELCA Fund III, L.P.	09/13/2018
__Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each Share of Class A Common Stock was issued upon conversion of one share of Class B Common Stock.
- (2) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on June 14, 2018.

Reflects weighted average sale price. Actual sale prices ranged from \$95.70 to \$96.65 on September 11, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (3)

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- (4) Reflects weighted average sale price. Actual sale prices ranged from \$96.70 to \$97.60 on September 11, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (5) Reflects weighted average sale price. Actual sale prices ranged from \$94.30 to \$95.25 on September 12, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (6) Reflects weighted average sale price. Actual sale prices ranged from \$95.30 to \$96.25 on September 12, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (7) Reflects weighted average sale price. Actual sale prices ranged from \$96.30 to \$96.85 on September 12, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (8) Reflects weighted average sale price. Actual sale prices ranged from \$94.05 to \$95.00 on September 13, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (9) Reflects weighted average sale price. Actual sale prices ranged from \$95.05 to \$96.00 on September 13, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (10) Reflects weighted average sale price. Actual sale prices ranged from \$96.05 to \$96.70 on September 13, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (11) Reflects weighted average sale price. Actual sale prices ranged from \$97.05 to \$97.95 on September 13, 2018. The Reporting Person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- (12) Options are fully vested and exercisable.
- (13) Each share of Class B Common Stock is convertible at any time at the option of the holder into one share of Class A Common Stock and has no expiration date. In addition, each share of Class B Common Stock held by a shareholder will convert automatically into one share of Class A Common Stock upon (i) any transfer of such share (subject to certain exceptions), or (ii) the occurrence of certain other specific instances, including the vote of the holders of the Class B Common Stock, as set forth in the issuer's Amended and Restated Certificate of Incorporation.
- (14) Vladimir Shmunis and Sandra Shmunis are the managing members of ELCA, LLC. ELCA, LLC is the general partner of ELCA Fund I, L.P., ELCA Fund II, L.P., and ELCA Fund III, L.P. By virtue of this relationship, Mr. Shmunis and Mrs. Shmunis may be deemed to share voting and dispositive power with respect to the shares held by ELCA Fund I, L.P., and certain of the shares held by ELCA Fund II, L.P. and ELCA Fund III, L.P. Each of the Reporting Persons disclaims beneficial ownership of these securities except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. g-left:0.867px; font-size:9pt" align=center>\$152,000

Lloyd Spencer (4)

2007

\$150,000

\$150,000

2006

Notes:

(1)

Walter K. Weisel served as Chairman and CEO of the Company from August 25, 2004, the date the merger between the Company and RWT closed until his resignation as CEO on August 21, 2007 and from all other positions and the Board of Directors in December 2007. Under his employment agreement prior to August 21, 2007, Mr. Weisel's salary was increased on April 1, 2007 from \$150,000 to \$220,000. The difference between \$150,000 and \$220,000 was accrued and included in the settlement agreement with Mr. Weisel upon his termination. After August 21, 2007, his new salary was \$150,000. On December 13, 2007, Mr. Weisel received a Employment Termination and Retirement Agreement.

(2)

Eugene V. Gartlan passed away following a brief illness prior to completion of a new employment agreement reflecting the terms of his employment as CEO and CFO. The compensation committee had agreed to a salary of \$200,000 per year, with \$42,000 payable as cash and the balance in stock at the current price. As of the date of his death, \$79,000 remained to be paid in cash and stock. He was also to be awarded 2,000,000 shares of restricted common stock and 1,000,000 fully vested options at a purchase price of \$.01. The Board of Directors has agreed to issue the stock and pay Mr. Gartlan's surviving spouse the above amounts and to provide 18 months of COBRA coverage.

Mr. Gartlan served as a consultant to the Company since December 15, 2004 through his wholly owned company, Stratex Solutions, LLC. (Stratex), a business consulting firm. Stratex earned 1,200,000 shares of the Company's common stock and received reimbursement of business expenses of approximately \$12,000 as consideration for these consulting services. Additionally, on December 15, 2004 Stratex received 1,212,128 options at an exercise price of \$0.05 per share with a term of ten years. Upon the direction of Stratex the shares were issued directly to Mr. Gartlan. On June 30, 2005, the Company and Mr. Gartlan entered into an Employment Agreement effective as of June 14, 2005, For all the services to be rendered by Mr. Gartlan from June 14, 2005 through December 14, 2005, Mr. Gartlan was granted stock options to purchase 1,800,000 shares of common stock of the Company at the purchase price of \$0.36 with a term of ten years. After December 14, 2005, Mr. Gartlan was paid a salary of \$15,000 per month, which payment commenced in January 2006 and terminated on December 13, 2006. In March 2006 the Company modified the 1,800,000 options granted to Mr. Gartlan as part of his employment agreement dated June 30, 2005 by changing their vesting from a three year period to 100% vested as of December 14, 2005, and by modifying the exercise price from \$0.036 to \$0.1. They expire in June 2015. Additionally, the 1,212,128 options that were granted to Stratex Solutions, Inc. in December 2004 were modified in March 2006 to vest over three years. They expire in December 2014. On December 31, 2007, all of these options were cancelled and converted into restricted common stock one-for-one and issued in lieu thereof by action of the Board of Directors.

Explanation of Responses:

On December 13, 2006 Mr. Gartlan resigned as CFO and accepted the office of Executive Director of Strategic Development at an annual salary of \$45,000 and became a Director.

(3)

Kenneth Vanden Berg served as CFO to the Company from December 13, 2006 through his termination September 10, 2007. Mr. Vanden Berg entered into an employment agreement effective as of December 13, 2006 granting him stock options to purchase 1,000,000 shares of restricted common stock of the Company at the purchase price of \$.20 with a term of ten years. His salary under the agreement was \$152,000 per annum and subsequently increased to \$175,000 per annum on April 1, 2007. None of the options granted to Mr. Vanden Berg were vested on the date of his termination and all options were cancelled.

(4)

Lloyd Spencer has served as Interim CEO since January 28, 2008. On September 20, 2007 he accepted the offices of Vice President of Business Development and Director. Mr. Spencer is CFO and President of the Company's subsidiary, CoroWare Technologies, Inc. with an annual salary of \$150,000. On May 16, 2006 Mr. Spencer entered into an employment agreement which granted him 500,000 stock options to purchase restricted shares of the Company's common stock at \$.18 which were cancelled on December 31, 2007 and converted into restricted common stock one-for-one and issued in lieu thereof by action of the Board of Directors. Mr. Spencer was granted 2,000,000 options to purchase restricted shares of the Company's common stock at \$.04 on May 16, 2006. These options have a ten year term and vest ratably over three years. On December 31, 2007 the options were re-priced from \$.04 to \$.01. As of March 31, 2008, 666,666 of these options have vested.

Stock Option Plans

The Company's 2005 Stock Option Plan was ratified by the Stockholders of the Corporation at a Special Meeting of the Stockholders on November 3, 2006. The plan is presently administered by the Company's Board of Directors, which selects the eligible persons to whom options shall be granted, determines the number of common shares subject to each option, the exercise price therefore and the periods during which options are exercisable, interprets the provisions of the plan and, subject to certain limitations, may amend the plan. Each option granted under the plan shall be evidenced by a written agreement between the Company and the optionee.

Options may be granted to employees (including officers) and directors and certain consultants and advisors.

The exercise price for stock options is determined by the Board of Directors. The term of the option is determined by the Board of Directors. Options granted under the plan are not transferable, except by will and the laws of descent and distribution.

Options in Year Ended December 31, 2007

Name	Number of Shares	Individual Grants		Exercise Price	Market Price	Expiration Date
		Underlying Options	% of Total Options			
Walter K. Weisel	1,500,000		17.3%	\$0.10	\$0.17	4/12/2015

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(See Note 1)	500,000		\$0.10	\$0.10	3/10/2016
	2,000,000		\$0.13	\$0.13	4/1/2017
Eugene V. Gartlan					
(See Note 2)					
Kenneth Vanden Berg	1,000,000	9.7%	\$0.20	\$0.20	12/13/2016
	500,000		\$0.01	\$0.12	4/12/2017
(See Note 3)					
Lloyd Spencer	2,000,000	13%	\$0.01	\$0.39	5/16/2016
(See Note 4)					

Notes:

(1)

Walter K. Weisel was employed as CEO of the Company from August 25, 2004, until his resignation August 21, 2007 and from all other positions in December 2007. Mr. Weisel was granted 1,500,000 options on April 12, 2005 at an exercise price of \$.10, expiring in ten years and vesting ratably over three years. Upon his termination December 13, 2007 1,000,000 of the 1,500,000 options had vested and remain exercisable until their termination date. On March 10, 2006, Mr. Weisel was granted 500,000 options at an exercise price of \$.10 and immediate vesting. In accordance to the Option Plan the options were granted under, Mr. Weisel had up thru 3 months after his termination

to exercise these options. They were not exercised and were forfeited. On April 1, 2007, Mr. Weisel was granted 2,000,000 options to purchase restricted shares of the Company's common stock at \$.13, expiring in 10 years, vesting ratably over 3 years. These options did not vest prior to Mr. Weisel's termination.

(2)

Mr. Gartlan was employed as the Company's Chief Financial Officer effective June 14, 2005. He did not receive any cash compensation, including salary or bonus in 2005. Mr. Gartlan was granted 1,800,000 options in lieu of a cash salary. In March 2006 the Company modified the 1,800,000 options granted to Mr. Gartlan as part of his employment agreement dated June 30, 2005 by changing their vesting from a three year period to 100% vested as of December 14, 2005, and by modifying the exercise price from \$.036 to \$.01. The term remains ten years with expiration in June 2015. The Company granted 1,212,128 options to Stratex Solutions, LLC, Mr. Gartlan's Consulting Company in Mr. Gartlan's name at his request. These options had an exercise price of \$.05, ten year term, and vested ratably over three years. All of these options were cancelled and converted into restricted common stock one-for-one and issued in lieu thereof by action of the Board of Directors.

(3)

Mr. Vanden Berg's employment was terminated prior to the vesting of any options and all of his options were cancelled.

(4)

Mr. Spencer was granted 2,000,000 options to purchase restricted commons shares of the Company's common stock at a purchase price of \$.04, expiring in ten years, and vesting ratably over three years. As of March 31, 2008, 666,666 of these options have vested and the exercise price was reduced to a \$00.01 by the Board of Directors. On May 16, 2006 Mr. Spencer entered into an employment agreement and was granted 500,000 options at \$.18 which were cancelled on December 31, 2007 and converted into restricted common stock one-for-one and issued in lieu thereof by action of the Board of Directors.

Except as described above no other equity awards were made in 2006 and 2007 to any of the Executive Officers.

Director's Compensation

The Company has not paid and does not presently propose to pay cash compensation to any director for acting in such capacity.

On April 12, 2007, the Board of Directors upon recommendation of the Compensation Committee adopted plan set forth below for compensating non employee directors. Under the plan the compensation of the Company's Board of Directors is all paid in restricted shares of the common stock of the Company and does not include any cash compensation for Board member or Committee member activities. Directors may be reimbursed for out of pocket expenses in restricted common stock or cash. The plan is as

Annual fee for outside Board membership and meeting attendance	restricted common stock valued at \$25,000
Annual fee for audit committee chair	restricted common stock valued at \$8,000
Annual fee for compensation, nominating and other chairs	restricted common stock valued at \$6,500
Annual fee for committee membership	restricted common stock valued at \$5,000
Options awarded in January valued at closing price on grant date	options for shares valued at \$50,000

All restricted common stock is allocated at beginning of year based on January's 30 day volume weighted average closing price and delivered to board members monthly as earned by attendance, either by phone or in person. New directors receive restricted common stock valued at \$130,000, which vests ratably equally over 24 months.

Each current outside director, Messrs. Nielsen, McNear, Conklin, Wynns, House and Kroon, was entitled to receive for his service in 2007, stock in the following amounts:

Director	Restricted Common Stock to be Issued in 2008	Share Price
Martin Nielson	308,192	\$.13
Gary McNear	219,508	\$.13
Craig Conklin	235,338	\$.13
Richard Wynns	185,562	\$.13
Charles House	690,908	\$.13
JohnKroon	518,915	\$.13

The above shares will be issued in 2008.

In December 2004 and in March 2006, the Company awarded each director 500,000 options in each year for services as a director, each with an exercise price of \$.10 per share and a term of ten years. In addition, Mr. Weisel received 1,500,000 options in April 2005 for services as Chief Executive Officer. Originally these options had an exercise price of \$.17 per share but were modified in March 2006 to have an exercise price of \$.10 per share. These options have a term of ten years and expire in April 2015. Upon Mr. Weisel termination 1,000,000 were vested and 500,000 were cancelled. In April 2007 each director who served during 2006, Messrs. Nielsen, McNear, Conklin and Wynns, were each awarded options for 500,000 shares of common stock at an exercise price of \$0.11 per share, expiring in ten years and vesting ratably over three years. Each of these options was converted into common stock in February 2008.

On April 12, 2007, the Board of Directors approved the grant of an option to purchase 454,545 shares of the Company's restricted common stock to each of the nonemployee directors of the Company for a total of 2,272,725 shares. On December 31, 2007, the directors approved the conversion of the aggregate of these options into 2,272,725 restricted shares of common stock.

Employment Agreements with Executive Officers

Currently there is an employment agreement with Lloyd Spencer, interim CEO of Innova Robotics and Automation, Inc., and President and CEO of Coroware Technology, Inc. Coroware Technology, Inc. and the Company entered a five year employment agreement with Mr. Spencer on May 16, 2005. Under the terms of this agreement, Mr. Spencer was to serve as the President of Coroware and to provide services as needed to the Company. His salary is \$150,000 per annum.

Employment Termination and Retirement Agreement

On December 18, 2007, the Company entered into a Termination and Resignation Agreement and Consulting Agreement with Walter Weisel. Upon execution of the Termination and Retirement Agreement, Mr. Weisel was paid cash in the amount of \$10,000 as accrued but unpaid salary. In addition, he was paid \$3,200 for non reimbursed expenses. The aggregate gross sum of \$110,000 of accrued and unpaid compensation, less applicable health insurance premiums, is payable to Mr. Weisel as follows:

(a)

Eleven monthly payments beginning in March 2008 of \$10,000 in the Corporation's restricted common stock at the Volume Weighted Average Price (VWAP) of the Corporation's stock price for the five (5) trading days immediately preceding the payment date; such VWAP will be the share price amount as determined by Bloomberg. The payment amount shall be less such amount as it is required to pay the actual premiums for Executive's health insurance during the period January 1, 2008 thru June 30, 2008, not to exceed the amount that would be payable by Executive if Executive elected COBRA coverage. All such stock shall be subject to Rule 144. All such monthly payments shall end after eleven (11) months of payment.

(b)

Additional Stock Payment . The Corporation shall pay 2,800,000 shares of the Corporation's restricted common stock to Executive in four equal quarterly installments in 2008 beginning April 1, 2008. Such stock shall be subject to Rule 144.

The Consulting Agreement with Mr. Weisel provides that Mr. Weisel shall have the exclusive right to market the HLPR Chair for the benefit of the Corporation and its shareholders on terms acceptable to the Corporation. Consultant shall not at any time either during the six (6) month period of the Consulting Agreement or for eighteen months (18) months thereafter, market the HLPR Chair for the benefit of any other party, unless expressly approved in writing by the Corporation. Mr. Weisel further agreed that the development work done with the HLPR Chair was and is for the

benefit of the Corporation and that he will not disclose any confidential information or be employed by any entity which is developing the HLPR Chair if there is no agreement between the developer of the HLPR Chair and the Corporation and or one of its subsidiaries.

Additionally, the Consulting Agreement provides that Consultant shall have the nonexclusive right to license the RWT intellectual property (patents) and pursue compensation for trade secret violations, subject to the Corporation's approval of any licensing agreement or trade secret award or settlement. Consultant shall be paid 7.5% of all net revenues received by the Corporation during the period commencing on the date of this agreement through the date which is the third anniversary of this agreement from such licensing agreements or trade secret awards or settlement agreements entered as a direct result of Consultant's efforts. As of March 30, 2008, Mr. Weisel has not been successful in obtaining any license agreement or trade secret award or settlement. Mr. Weisel's Consulting Agreement expires on June 19, 2008.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During November 2004, a principal shareholder loaned the Company \$165,000 to pay down the line of credit with Fifth Third Bank. The loan had the same terms as the Fifth Third Bank line of credit, except that it remained unsecured until such time as the Fifth Third Bank line of credit was fully paid, including principal and accrued interest, and was due upon demand. In January 2005, the Fifth Third Bank line of credit was paid off. The loan and accrued interest was exchanged for stock in October 2007.

On July 22, 2005 the Company borrowed \$30,000 from a beneficial shareholder and director, Rick Wynns, and entered into a short term note for that amount, the terms of which are: interest at the annual rate of 5%, due date in six months, and principal and accrued interest are convertible into common stock of the Company at \$.015 per share. The due date of the note has been extended to December 31, 2008. To date there have been no conversions.

During September through December 2005, the Company also entered into short-term debt obligations other than in the ordinary course of business. All of the short-term debt bears interest at the rate of 10% per annum. The following table sets forth the names of the lenders, the amount of the loans, the dates of the loans and the due date of the loans:

Lender	Amount of Loan	Outstanding Balance at December 31, 2007	Date of Loan	Due Date
Estate of Eugene Gartlan	\$40,000		September 19, 2005	
Jerry Horne	\$50,000		September 22, 2005	
Estate of Eugene Gartlan	\$ 5,000		October 5, 2005	
Rick Wynns	\$30,000	\$10,000	October 3, 2005	November 3, 2008
Rick Wynns	\$30,000	\$30,000	October 14, 2005	February 14, 2008
Gary McNear	\$ 1,000	\$ 1,000	November 22, 2005	December 31, 2008
Jerry Horne	\$50,000		November 28, 2005	

All of the lenders are shareholders of the Company. Mr. Gartlan, Mr. McNear, and Mr. Wynns are Directors of the Company. During the year ended December 31, 2006, Mr. Gartlan was paid in full and Mr. Wynns was paid back a total of \$20,000 of principal. Mr. Horne converted his loans and accrued interest in October of 2007. All remaining lenders have agreed to repayment terms that extend the due date to December 31, 2008.

On October 26, 2007, CoroWare entered into a short-term debt obligation totaling \$85,000 with Amy Spencer, the spouse of a director and current Interim Chief Executive Officer. The entire balance of the loan plus accrued interest at 1.5% per month was due on November 15, 2007. A late fee of 5% was payable, if the loan was in default. The loan was paid in full within the terms of the loan.

During October 2007, several current directors and officers invested \$35,000 in Series C preferred stock, which is described in Note 13 in the notes to financial statements.

OTHER BUSINESS

The Board of Directors is not aware of any matter other than the matters described above to be presented for action at the Meeting. However, if any other proper items of business should come before the Meeting, it is the intention of the individuals named on your proxy card as the proxy holders to vote in accordance with their best judgment on such matters.

By Order of the Board of Directors

/s/ LLOYD T. SPENCER

Lloyd T. Spencer

Interim Chief Executive Officer

Dated: October 31, 2008

Redmond, Washington

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
COROWAWARE, INC.

The undersigned, being the _____ and _____ of COROWARE, INC., a corporation existing under the laws of the State of Delaware, does hereby certify under the seal of the said corporation as follows:

1. The name of the Corporation (hereinafter referred to as the Corporation) is Coroware, Inc.
2. The certificate of incorporation of the Corporation is hereby amended by inserting the following paragraph at the end of Article Fourth:

By Resolution of the Board of Directors and majority vote of the Shareholders, the Company shall reverse-split its common shares, on a 1 for 300 share ratio, with each 300 currently issued and outstanding share of the Company s common stock being replaced by 1 new share of post-split common stock. Par value shall remain unchanged and fractional shares shall be replaced by a single new share. All other rights and privileges of the common stock shall remain unchanged. Preferred stock and the authorized common stock shall not be affected by this amendment.

3. The amendment of the certificate of incorporation herein certified has been duly adopted by the unanimous written consent of the Corporation s Board of Directors and stockholders holding a majority of the outstanding shares of common stock of the Corporation in accordance with the provisions of Sections 141(f), 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be hereunto affixed and this Certificate of Amendment of the Corporation s Certificate of Incorporation, as amended, to be signed by _____, its Chief Executive Officer and Secretary, this ___ day of _____, 200_ .

COROWARE, INC.

By:
Name:
Title:

PROXY

COROWARE, INC.

ANNUAL MEETING OF STOCKHOLDERS - TO BE HELD

DECEMBER 8, 2008

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned, revoking all prior proxies, hereby appoints LLOYD T. SPENCER with full power of substitution in each, as proxies for the undersigned, to represent the undersigned and to vote all the shares of Common Stock of the Company which the undersigned would be entitled to vote, as fully as the undersigned could vote and act if personally present, at the Annual Meeting of Stockholders (the Meeting) to be held on December 8, 2008, at 10:00 A.M., Pacific Standard Time, or at any adjournments or postponements thereof.

Should the undersigned be present and elect to vote at the Meeting or at any adjournments or postponements thereof, and after notification to the Secretary of the Company at the Meeting of the stockholder's decision to terminate this proxy, then the power of such attorneys or proxies shall be deemed terminated and of no further force and effect. This proxy may also be revoked by filing a written notice of revocation with the Secretary of the Company or by duly executing a proxy bearing a later date.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES FOR DIRECTOR AND EACH OF THE LISTED PROPOSALS.

Proposal(1) The election as directors of all nominees listed below to serve until the 2009 Annual Meeting of Stockholders or until their successors have been duly elected and qualified (except as marked to the contrary).

Charles House	For	Against	Abstain
Martin Nielson	For	Against	Abstain
John Kroon	For	Against	Abstain
Lloyd Spencer	For	Against	Abstain

To withhold authority to vote, mark For All Except and write the nominee's number on the line below.

Proposal No. (2) - Ballot with Respect to the Amendment to the Company's Articles of Incorporation so as to consolidate the outstanding Common Shares of the Company on a one for three hundred (1:300) basis.

I/We hereby vote all the shares of the Company that I/we am/are entitled to vote either in person or by proxy at the Meeting, for or against the adoption of the following resolution:

RESOLVED, that the Amendment to the Company's Articles of Incorporation so as to consolidate the outstanding Common Shares of the Company on a one for three hundred (1:300) basis is, approved, ratified and confirmed.

Explanation of Responses:

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For

Against

Abstain

Proposal (3) To ratify the selection of LBB & Associates Ltd., LLP (LBB & Associates) as our independent auditors for the fiscal year ending December 31, 2008; and

FOR " AGAINST " ABSTAIN "

Proposal (4) To transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

FOR " AGAINST " ABSTAIN "

The shares represented by this proxy will be voted as directed by the stockholder, but if no instructions are specified, this proxy will be voted for the election of the Board nominees and for proposals (2), (3) and (4). If any other business is presented at the Meeting, this proxy will be voted by those named in this proxy in their best judgment. At the present time, the Board of Directors knows of no other business to be presented at the Meeting.

The undersigned acknowledges receipt from the Company, prior to the execution of this proxy, of the Notice of Annual Meeting and accompanying Proxy Statement relating to the Meeting and an Annual Report to Stockholders for fiscal year ended December 31, 2007.

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NOTE: PLEASE MARK, DATE AND SIGN AS YOUR NAME(S) APPEAR(S) HEREON AND RETURN IN THE ENCLOSED ENVELOPE. IF ACTING AS AN EXECUTORS, ADMINISTRATORS, TRUSTEES, GUARDIANS, ETC., YOU SHOULD SO INDICATE WHEN SIGNING. IF THE SIGNER IS CORPORATION, PLEASE SIGN THE FULL CORPORATE NAME, BY DULY AUTHORIZED OFFICER. IF SHARES ARE HELD JOINTLY, EACH SHAREHOLDER SHOULD SIGN.

Signature (Please sign within the box) [_____]

DATE: _____, 2008 Signature (Joint owners) [_____]

DATE: _____, 2008