

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes: _____ No: X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes: _____ No: X

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: X No: _____

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer _____ Accelerated Filer _____ Non-accelerated filer X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: _____ No: X

The aggregate market value of the voting common equity of the registrant held by non-affiliates (for this purpose, persons and entities other than executive officers, directors, and 5% or more shareholders) of the registrant, as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2005), was \$12,590,227.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of March 24, 2006:

<u>Class</u>	<u>Number of Shares</u>
Common Stock, \$0.01 par value	2,338,451

The following documents are incorporated by reference into the Annual Report on Form 10-K: Portions of the registrant's definitive Proxy Statement for its 2006 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

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INTRODUCTORY NOTE

Each reference in this Annual Report to "GoAmerica", the "Company" or "We", or any variation thereof, is a reference to GoAmerica, Inc. and its subsidiaries, unless the context requires otherwise.

Many of GoAmerica's product/service names referred to herein are trademarks, service marks or tradenames of GoAmerica. This Annual Report also includes references to trademarks and tradenames of other companies. The GoAmerica and Wynd Communications names and logos and the names of proprietary products and services offered by GoAmerica and Wynd Communications are trademarks, registered trademarks, service marks or registered service marks of GoAmerica. "i711", "i711.com", and "Clear Mobile" are trademarks, and "Relay and Beyond" is a service mark, of GoAmerica.

FORWARD-LOOKING STATEMENTS

The statements contained in this Annual Report on Form 10-K that are not historical facts are forward-looking statements (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended) that involve risks and uncertainties. Such forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "expect", "estimate", "anticipate", "continue", or similar terms, variations of such terms or the negative of those terms. There are many factors that may cause actual results to differ materially from those contemplated by such forward-looking statements. In addition to the factors disclosed by us under the caption "RISK FACTORS" and elsewhere in this document, the following factors concerning GoAmerica, among others, could cause our actual results to differ materially and adversely from our forward-looking statements: (i) our limited operating history; (ii) our ability to successfully manage our relationship with EarthLink; (iii) our dependence on EarthLink to provide billing, customer and technical support to certain of our subscribers; (iv) our ability to respond to the rapid technological change of the wireless data industry and offer new services; (v) our dependence on wireless carrier networks; (vi) our ability to respond to increased competition in the wireless data industry; (vii) our ability to integrate acquired businesses and technologies; (viii) our ability to generate revenue growth; (ix) our ability to increase or maintain gross margins, profitability, liquidity and capital resources; (x) difficulties inherent in predicting the outcome of regulatory processes; and (xi) our limited experience in offering prepaid calling cards. Such risks and others are more fully described in the Risk Factors set forth in Item 1A of this Annual Report. Our actual results could differ materially from the results expressed in, or implied by, such forward-looking statements.

PART I

Item 1. Business of the Company.

General

GoAmerica ® is a communications service provider, offering solutions primarily for consumers who are deaf, hard of hearing and/or speech-impaired. Our revenue is derived from telecommunications relay services, wireless subscription services, prepaid telecommunications services and from equipment and commissions associated with the sale of wireless handheld devices.

Our i711.com™ telecommunications relay service was launched in March 2005 and enables people who are deaf or hard of hearing to call and “converse” with hearing parties by using a computer, wireless handheld device or similar unit, through an operator that interprets text to voice and vice versa. Throughout 2005, we provided a wireless version of relay services under a license to Sprint-Nextel, which was marketed under a Sprint brand.

Our wireless subscription services consist of WyndTell ® and WyndPower™, which assist our deaf or hard of hearing customers in communicating from most major metropolitan areas in the continental United States and parts of Canada. WyndTell and WyndPower allow customers to send and receive TTY/TDD (text telephone or teletypewriter) messages, faxes, and text-to-speech messages, send and receive email messages to and from any email service, provide for delivery and acknowledgements of sent messages that are read, and access the Internet using such wireless computing devices as Research in Motion, or RIM, wireless handheld devices, certain Motorola paging devices and the T-Mobile Sidekick, Fido hiptop, and SunCom hiptop devices running on Danger Inc.'s hiptop platform. GoAmerica continues to offer wireless data products and services to the consumer and enterprise markets as well as support customers who use our proprietary software technology called Go.Web™. Go.Web is designed for use mainly by enterprise customers to enable secure wireless access to corporate data and the Internet primarily from RIM Blackberry wireless handhelds.

Our prepaid services, which we launched in September 2004, include domestic and international calling cards, sold primarily in the northeast portion of the United States under the GA Prepaid™ brand.

We sell wireless devices directly to customers and indirectly through sub-dealers. We have dealer agreements with T-Mobile and Sprint-Nextel, whereby we sell devices and earn a commission, also called a bounty, upon activation of the device with an associated service rate plan.

Our principal office is located at 433 Hackensack Avenue, Hackensack, New Jersey 07601, our voice telephone number is (201) 996-1717, and our TTY number is (201) 527-1520. Our web site is located at www.goamerica.com. We have not incorporated by reference into this Form 10-K any of the information on our Web site, and you should not consider it to be a part of this document. Our web site address is included in this document as an inactive textual reference only.

Corporate History

GoAmerica Communications Corp. was incorporated in Delaware in 1996. In December 1999, GoAmerica, Inc. was incorporated in Delaware and each of the security holders of GoAmerica Communications Corp. exchanged all of their outstanding securities for newly issued securities of GoAmerica, Inc., with GoAmerica Communications Corp. becoming a wholly owned subsidiary of GoAmerica, Inc. GoAmerica, Inc. consummated the initial public offering of its common stock in April 2000 and acquired Wynd Communications Corporation on June 28, 2000.

On September 25, 2002, we revised our Go.Web business model by entering into a series of agreements with EarthLink, Inc. ("Earthlink"), pursuant to which, among other things, EarthLink purchased certain of our subscribers, EarthLink provides billing, collections and customer service to our Go.Web customers, and EarthLink and GoAmerica collaborated on marketing each other's services and developing new applications for and extensions of existing technologies and services. The initial term of this relationship with EarthLink was two years and it has continued to operate on substantially similar terms; however, we cannot predict at this time whether this arrangement will be extended, terminated or restructured as the importance of this relationship to the Company decreased continually throughout 2005 as a result of our emphasis on the deaf and hard of hearing markets.

In December 2003, we announced plans for a strategic re-focusing premised on a financing that we completed in March 2004, which centered on growth of our core Wynd Communications wireless services business, development and marketing of new communications services, included branded Internet protocol relay services, or IP relay services, and video relay services, and providing superior customer support services.

Our Business

GoAmerica's strategy is to focus its resources on providing a variety of accessible communications services to people who are deaf, hard of hearing and/or speech impaired. According to the American Speech and Hearing Association, more than 28 million Americans currently experience some level of significant hearing loss.

Relay Services

In 2005, we offered two forms of IP relay service: a wireless service marketed in conjunction with Sprint Nextel, and, as of March 24, 2005, our i711.com™ branded Internet service, which uses Nordia, Inc.'s technology platform and relay operators (also referred to as Communication Assistants or "CA's") to facilitate calls.

As of February 1, 2006, we terminated our license to Sprint Nextel and have launched our own i711.com branded wireless relay service.

Our i711.com wireless relay service permits deaf consumers to contact a Telecommunications Relay Service, or "TRS", operator to place a "live" telephone call to a hearing party by using certain wireless handheld devices. TRS, generally, enables standard voice telephone users to talk to people who have difficulty hearing or speaking on the telephone by having a Communications Assistant interpret for both parties via text-to-voice interpretation.

Substantially all TRS, including our IP relay services, are free to the consumers who use them as such services are subsidized by a portion of the Universal Services Fund assessment collected by telecommunications carriers from most of their customers. Like the other relay service providers, we receive payment indirectly from the federal government based on relay minutes used that are initiated on our particular service. The Federal Communications Commission requires all telephone common carriers to pay certain amounts to a central reimbursement fund, establishes a per-minute reimbursement rate and authorizes the National Exchange Carriers Association to administer the payments to service providers like us from the reimbursement fund. We do not know if the current and future per-minute reimbursement rates will increase, decrease or remain substantially the same as current levels. (See "Business - Government Regulation".)

For a person that is deaf or severely hard of hearing, the TTY or TDD, a text-based communications instrument that operates in North America using an outdated Baudot 45.5 protocol, had historically been the centerpiece of telecommunications accessibility, usually requiring a wireline connection. The size and weight of most TTY devices and the slow transmission speed of the Baudot protocol makes communicating "on-the-go" a difficult task for a deaf individual. Over the years, advances in regulatory policy and technology have vastly improved the level of communications accessibility available to deaf consumers nationwide. (See "Business - Government Regulation".)

Although some people who are deaf or hard of hearing are still able to use voice-based communications services, TRS is becoming increasingly a primary means for those within this segment of the population who are profoundly deaf or speech impaired to communicate with businesses, health providers and hearing persons. The Internet Relay and Video Relay sectors of TRS are growing steadily due to broadband technology developments and the prevalence of the Internet. Internet Relay is available to anyone who has access to the Internet via a computer, wireless handheld device, Web-capable telephone or any other Internet Protocol-based device. Unlike traditional TRS, where a TTY user contacts a TRS center via telephone lines and the CA at the TRS center calls the receiving party via voice telephone, the first leg of an Internet Relay call goes from the caller's computer or other Web-capable device, to the TRS relay center via the Internet. With the development of multiple Internet Relay services, deaf consumers now can choose their own relay provider rather than being required to use the provider for the State in which they live. We developed our i711.com web portal and service with distinctive calling features and a community orientation in order to be perceived as user friendly, familiar and a preferred Internet Relay service.

Video Relay services, or "VRS", enable individuals who use American Sign Language to use video equipment to make calls by communicating with a CA, who interprets the initial message into either speech or text and signs back the hearing party's response. We do not presently offer a Video Relay service; however, we believe this is an underserved market with great growth potential for us and we are exploring various means of entry. On July 6, 2005, we entered into a merger agreement with Hands On Video Relay Services, Inc., a privately owned VRS provider, and its affiliates; however, the merger agreement was terminated as of March 1, 2006. (See "Business - Termination of Hands On Merger Agreement".)

Wireless Subscription Services

Our wireless subscription services include those designed for and marketed to the deaf and hard of hearing market through Wynd Communications, and our Go.Web services, which are used primarily by business customers. At December 31, 2005, GoAmerica had approximately 22,718 subscribers from which we receive, directly or indirectly, monthly subscription fees and, to a lesser degree, usage fees. The subscription and value added services currently available to our deaf and hard of hearing customers are WyndTell and WyndPower, which enable deaf, hard of hearing and/or speech-impaired users to communicate with co-workers, friends, family members, and AAA Emergency Roadside service, by means of wireless devices, using communications options such as email, fax, paging, text-to-speech, TTY messaging, and operator assisted services as well as access to the Internet.

Throughout 2005, we continued to support wireless data technology, applications and software that address the productivity and communications needs of enterprise customers and consumers and are based on our proprietary software technology called Go.Web. By utilizing Go.Web, corporations can improve the productivity of employees by enabling secure wireless access to corporate data on many wireless computing devices and over many wireless data networks. Our Go.Web technology can be hosted and supported in a secure network operations center maintained by GoAmerica or its third party outsourcing provider. As our business emphasis and product development efforts are focused on servicing the deaf and hard of hearing markets, we have not continued to invest in Go.Web. The financial contribution of Go.Web to the Company has been declining and we do not foresee devoting significant resources to this business during 2006.

Prepaid Telecommunications Services

We offer our prepaid services through our GA Prepaid™ division, which we launched in September 2004. Our GA Prepaid™ telephone calling cards are marketed to U.S. consumers, for whom prepaid calling cards are a primary means of domestic and international telecommunications, under a variety of individual card brand names, including Cafe ' Con Leche™, Caribbean Express™ and Caribbean Queen™, Canela™, Charitto™, El Gordo™, GA Worldwide™, Mi Sueno™, and Ta Mejor™. Cards are sold in various denominations through non-exclusive distributors, the majority of which are currently located in the northeastern U.S. Revenues derived from sales of our prepaid calling cards are deferred upon sale of the cards and recognized upon the earlier of the card being fully utilized or its expiration, which is 90 days from the date of first usage.

We have established our own telecommunications switching platform, using a combination of dedicated lines and Voice-over-Internet Protocol (VOIP) technology as the underlying network architecture. Our switching platform connects to multiple tier-1 and tier-2 carriers that terminate traffic for us in over 250 countries and territories.

Wireless Devices and Activations

Through dealer arrangements with T-Mobile and Sprint-Nextel, we sell wireless communications devices and earn commissions through the direct and indirect acquisition of subscribers on behalf of these network providers.

Sales and Marketing

Sales

We currently sell our services and solutions through both direct and indirect channels of distribution. As of March 1, 2006, we had 4 employees working in a sales capacity.

Direct Distribution. Direct distribution methods consist of those channels in which our personnel actively assist the customers with placing orders, currently comprised of our sales professionals and our online shopping portal designed for people who are deaf or hard of hearing. Our telesales representatives respond to queries generated as a result of Web site visits and our marketing efforts, which usually contain our toll-free sales telephone and TTY numbers.

Indirect Distribution. Indirect distribution methods consist of those channels where our distribution alliance partners take the order directly from the customers or refer customers to one of our direct sales representatives. With indirect distribution, we capture new business through dealers and value added resellers.

Dealers offer our products and services to their customers and are paid a commission for each sale. A dealer's commission may consist of a one-time bounty only or may include a small percentage of revenues generated by their customers. Dealers are not responsible for billing or supporting the customer.

Marketing

We generally deploy a marketing mix consisting of direct mail, Internet direct response, print ads in periodicals aimed at deaf and hard of hearing audiences, and tradeshow sponsorship and participation. As of March 1, 2006, we had 3 employees working in a marketing capacity.

Technology and Operations

Service Infrastructure

Data Center . We use a publicly traded, third-party information technology firm to host many of our service applications. Our outsourcing strategy provides our customers with the highest levels of reliability while lowering our overall cost structure. We believe our provider's facilities are capable of meeting the capacity demands and security standards for services we have developed or are developing for our customers. Technical personnel monitor network traffic, service quality, and security continually.

Wireless Networks . Through our relationships with leading wireless services providers, our customers are able to use our wireless solutions in most major metropolitan areas in the continental U.S. and parts of Canada. We are a dealer for a variety of wireless network providers, and, in other cases, we provide wireless services directly to our customers through reseller agreements with wireless network operators such as Velocita (formerly Cingular Interactive; acquired by Sprint Nextel on February 21, 2006) and T-Mobile.

Software Technology

For our text based relay services business, i711.com, we have developed a standard-based, but proprietary, services platform that enables our customers to place text relay calls using different access methods. The i711.com relay services platform allows access today from web browsers, AOL's AIM instant messaging clients and wireless devices. The architecture of our i711 relay services platform allows us to add new access methods and value added services to the platform. The platform also allows for the addition of wholly new services to be added in the future. Our i711 relay services platform offers deaf or hard of hearing users a secure, fast, reliable and user friendly relay platform through our use of Secure Socket Layer, or "SSL", efficient coding practices, system redundancy and user centric design principles.

For our wireless subscription business, we deploy a combination of licensed technology and custom built software. This technology gives our customers access to wireless messaging and information services specifically geared toward the needs of the deaf and hard of hearing users. We have developed and run gateway technology to connect wireless devices to a variety of traditional TTY devices as well as our proprietary TTY-based applications. Currently, our Wynd software supports the RIM-based family of 95X and 85X devices, certain Motorola paging devices, and the T-Mobile Sidekick, Fido hiptop and SunCom hiptop devices running on Danger Inc.'s hiptop platform.

For our Go.Web business, we use our proprietary wireless services platform that enables our customers to securely access most types of Web-based data from many leading wireless devices. The Go.Web platform also allows qualified developers to introduce standard Web-based applications for many wireless devices and networks. As a result of our historical Go.Web development efforts, we have acquired substantial wireless and Web formatting expertise, which enables us to develop or adapt solutions as new wireless devices are introduced. In addition, the Go.Web compression technology and enhanced wireless transport protocol included in our software provide bandwidth efficiency and maximize data transmission speeds. We also have employed industry standard SSL and use Certicom's cryptography within the Go.Web infrastructure.

Licensed Software Technology

The Velocita Interactive Paging Service, or "IPS", is based on server software that we have licensed. We are one of a limited number of companies that have deployed an IPS gateway. This service provides two-way messaging on devices such as the RIM interactive devices.

Customer Service, Billing and Fulfillment

We provide tier-1 customer support for users of our i711™ branded relay services offerings, with Nordia, Inc., our relay infrastructure provider, assisting as needed.

We provide corporate or individual customer billing for all customers of our Wynd-related subscription services. For Go.Web, EarthLink provides the majority of customer support and billing under a revenue sharing arrangement.

For product fulfillment, we maintain an inventory of mobile devices which we buy from third-party manufacturers and resellers.

Termination of Hands On Merger Agreement

On July 6, 2005, we entered into a merger agreement with Hands On Video Relay Services, Inc., Hands On Sign Language Services, Inc. and their principal shareholders (collectively referred to as "Hands On") pursuant to which the Hands On companies were to merge with subsidiaries of GoAmerica in exchange for the Hands On shareholders receiving an amount of shares of GoAmerica common stock equal to the number of shares of GoAmerica common stock outstanding on the date the proposed merger closed, reduced in accordance with purchase price adjustments specified in the merger agreement. Hands On is a provider of VRS and sign language interpreting services to people who are deaf or hard of hearing. We had previously entered into a short term loan agreement, dated May 2, 2005, with Hands On pursuant to which we agreed to loan Hands On up to \$1 million for capital expenditures consistent with growth plans that we intended to execute with Hands On upon merging. On October 28, 2005, the Hands On parties and GoAmerica executed a waiver and supplemental agreement, amending the merger agreement, which permitted Hands On to attempt to raise funds on its own for a limited period in exchange for additional reductions in the merger consideration to be received by Hands On shareholders in the event certain liabilities remained on Hands On's balance sheet at the time of the merger. We filed a preliminary Registration Statement on Form S-4 on December 30, 2005 and filed the final amendment thereto on January 18, 2005. Each of GoAmerica and the Hands On companies established special stockholder meeting dates in February 2006 at which the proposed merger was to be voted upon by each company's stockholders of record as of January 13, 2006, to whom were mailed a joint proxy statement/prospectus and related materials. On February 22, 2006, the shareholders of each of the Hands On companies each approved the merger with us. Our special meeting of stockholders, originally scheduled for February 27, 2006, was adjourned to March 13, 2006 in order to allow us additional time to achieve a quorum for our special meeting, which we did achieve on March 6, 2006. On March 1, 2006, Hands On sent us a letter purporting to terminate the merger agreement. Subsequent discussions were held among representatives of GoAmerica and Hands On, however there appeared to be no basis to continue to pursue our merger with Hands On. On March 7, 2006, we canceled our special stockholder meeting at which our stockholders were expected to approve the issuance of our common stock in the proposed merger with Hands On.

Competition

The relay services market consists of well-funded competitors such as AT&T, MCI/Verizon, Sprint Nextel, Hamilton Telecommunications, and Sorenson Communications ("Sorenson"). Each of these companies offers text relay services similar to ours and they may deploy similar enhancements and marketing tactics to attract the attention of prospective users. Each of the providers referred to above also offer VRS in addition to Hands On Video Relay Services, Inc. (See "Business-Termination of Hands On Merger Agreement".) Sorenson currently is the largest provider VRS services used in the U.S., due in part to its ability to restrict users from accessing other VRS provider services. On February 20, 2006, Sorenson announced plans to allow the users of its videophones to call not only Sorenson VRS interpreters but also the interpreters of other VRS providers. By no later than July 1, 2006, all users of the Sorenson videophone will be able to call a hearing person using sign language through the interpreters of any other VRS provider. We expect the removal of this calling restriction will cause many users currently using Sorenson VRS to exercise their option to use other VRS providers.

The market for our wireless services is becoming increasingly competitive. The widespread adoption of industry standards in the wireless data communications market may make it easier for new market entrants and existing competitors to introduce services that compete against ours. Our competitors may use the same products and services in competition with us. With time and capital, it would be possible for competitors to replicate our services. We expect that we will compete primarily on the basis of the functionality, breadth, quality and price of our services.

Many of our existing and potential competitors have substantially greater financial, technical, marketing and distribution resources than we do, however, few of such competitors focus on deaf or hard of hearing customers to the same degree we do. Despite any lack of a similar focus on the part of our competitors, many of these companies may have greater name recognition and may be able to adopt more aggressive approaches to the market than we can. Competitive pressures may have a material adverse effect on our business and reduce our market share.

Research and Development

Most of our product and service offerings are developed internally. We also purchase and license technology. We continue to enhance the features and performance of certain existing products and services. In addition, we are continuing to develop new products that are complementary to our current suite of products.

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

Intellectual Property Rights

We have not yet obtained patents on our technology that would preclude or inhibit competitors from using our technology. In February 2001, we filed a patent application on certain aspects of our Go.Web technology. The application is presently pending in the United States Patent and Trademark Office and has been filed internationally. Certain aspects of our various technologies rely on perpetual, royalty-free, worldwide licenses under third party patents relating to wireless products and services. We rely on a combination of patent, copyright, trademark, service mark, trade secret laws, unfair competition law and contractual restrictions to establish and protect certain proprietary rights in our technology and intellectual property. We have received or applied for registration of certain of our GoAmerica and Wynd names and marks in the United States Patent and Trademark Office. The steps taken by us to protect our intellectual property may not prove sufficient to prevent misappropriation of our technology or to deter independent third party development of similar technologies. In addition, the laws of certain foreign countries may not protect our technologies or intellectual property rights to the same extent as do the laws of the United States. We also rely on certain technologies that we license from third parties. These third party technology licenses may not continue to be available to us on commercially attractive terms. The loss of the ability to use such technology could require us to obtain the rights to use substitute technology, which could be more expensive or offer lower quality or performance, and therefore have a material adverse effect on our business, financial condition or results of operations. Third parties could claim infringement by us with respect to current or future technology. We expect that we and other participants in our markets will be increasingly subject to infringement claims as the number of services and competitors in our industry segment grows. Any such claim, whether meritorious or not, could be time consuming, result in costly litigation, cause service or installation interruptions or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements might not be available on terms acceptable to us or at all. As a result, any such claim could have a material adverse effect upon our business, financial condition or results of operations.

Government Regulation

The enactment of the Americans with Disabilities Act of 1990 mandated that every State implement a system for Telecommunications Relay Services whereby a deaf consumer, using a TTY connected to the telephone network, could communicate with a hearing person through the use of a relay operator. The Federal Communications Commission ("FCC") has oversight responsibility for Telecommunications Relay Services in the U.S. and maintains guidelines that all States must follow. These services, beginning statewide in California in 1987 and nationally available since 1992, empowered deaf consumers to expand their use of the TTY in telephone conversations with hearing parties as well. At the national level, interstate relay services are funded by FCC-mandated common carrier contributions to a reimbursement fund that is administered by the National Exchange Carrier's Association. At the State level, intrastate funds for relay reimbursement can come from rate payer surcharges, tariff charges to the local exchange carrier or taxes as administered by the State.

We are not currently subject to direct federal, State or local government regulation, other than regulations that apply to businesses generally. The network carriers and third party providers we contract with to provide services are subject to regulation by the FCC and possibly one or more States. Changes in FCC regulations could affect the availability of our services and the network carriers' and third party providers' willingness or ability to sell to us. We could also be adversely affected by developments in regulations that govern or may in the future govern the Internet, the allocation of radio frequencies or the placement of cellular towers. Also, changes in these regulations could create uncertainty in the marketplace that could reduce demand for our services or increase the cost of doing business as a result of costs of litigation or increased service delivery cost or could in some other manner have a material adverse effect on our business, financial condition or results of operations.

We currently do not collect sales or other taxes with respect to the sale of services or products in states and countries where we believe we are not required to do so. We do collect sales and other taxes in the State in which we have an office and are required by law to do so. One or more jurisdictions have sought to impose sales or other tax obligations on companies that engage in online commerce within their jurisdictions. A successful assertion by one or more jurisdictions that we should collect sales or other taxes on our products and services, or remit payment of sales or other taxes for prior periods, could have a material adverse effect on our business, financial condition or results of operations.

Any new legislation or regulation that may be adopted by the United States Congress to regulate the Internet, or the application of laws or regulations from jurisdictions whose laws do not currently apply to our business, could have a material adverse effect on our business.

Employees

As of March 1, 2006, we had a total of 33 full-time employees. None of our employees are covered by a collective bargaining agreement. We believe that our relations with our employees are good.

Item 1A. Risk Factors

Risks Particular To GoAmerica

We have historically incurred losses and these losses will continue in the foreseeable future.

We have never earned a profit. We had net losses of \$4.4 million, \$4.4 million, and \$8.2 million for the years ended December 31, 2005, 2004 and 2003, respectively. Since our inception, we have invested significant capital to build our wireless network operations and e-commerce systems as well as our billing system. We also have provided mobile devices made by third parties to our customers at prices below our costs for such devices. In addition, although we have reduced our exposure to subscriber-related costs through our relationship with EarthLink, our costs of subscriber revenue, consisting principally of our purchase of wireless airtime from network carriers, have historically exceeded our subscriber revenue. Further, we have experienced negative overall gross margins, which consist of margins on our prepaid revenues, equipment sales and other revenue, and may experience negative overall gross margins again in the future. We will need to generate increased revenue to become profitable and sustain profitability on a quarterly and annual basis.

We may not achieve or sustain our revenue or profit goals, and our ability to do so depends on the factors specified elsewhere in "Risk Factors" as well as on a number of factors outside of our control, including the extent to which:

- our competitors announce and develop, or lower the prices of, competing services;
- wireless network carriers, data providers and manufacturers of mobile devices dedicate resources to selling our services or increase the costs of, or limit the use of, services or devices that we purchase from them; and
- prices for our services decrease as a result of reduced demand or competitive pressures.

As a result, we may not be able to increase revenue or achieve profitability on a quarterly or annual basis.

We may be unable to execute our business strategy.

Our business strategy is centered on the pursuit of certain priorities, centered on the offering of services to deaf or hard of hearing customers. These priorities and the principal risks associated with each priority include:

- *Growth of wireless services business* . We cannot assure you that we will be able to grow our core business. For us to grow this business internally, we will need to improve our margins and demonstrate an ability to operate profitably. For us to grow by means of product or service acquisitions, we will require additional capital to fund acquisitions and we will confront the risks, described below, inherent in an acquisition strategy.
- *Development and marketing of new communications services, including branded Internet Protocol and Video Relay Services* . To remain competitive in our primary marketing areas, we must continue to offer innovative products and services. We will be limited in the extent to which we can focus upon technological development by capital constraints, by the time that it takes to commercialize product and service concepts and by the steps that may be taken by our competitors. In our rapidly changing environment, developments that appear to present significant advantages may become obsolete before we are able to benefit from our development efforts. In recent years, our shortage of liquidity has required us to reduce the amount of resources devoted to marketing. We expect that capital constraints will continue to limit our marketing efforts.
- *Streamlining of operations to enable superior customer support* . Our business model will be materially adversely affected if we are unable to offer superior customer support to deaf and hard of hearing customers. In the past, capital constraints have limited our customer support functions.

In addition to our deaf and hard of hearing services, we develop and market prepaid calling card services. The market for prepaid calling cards is highly competitive and operates on low profit margins. Capital constraints may impede our ability to promote our brands or negotiate the most favorable rates with our suppliers.

If we do not respond effectively to these risks, our business could be significantly and adversely affected.

We may need additional funds which, if available, could result in increased interest expenses or additional dilution to our stockholders. If additional funds are needed and are not available, our business could be negatively impacted.

If we continue to operate unprofitably, if unanticipated contingencies arise or if new business opportunities are presented to us, it will be necessary for us to raise additional capital either through public or private equity or debt financing to primarily finance the execution of our anticipated strategic initiatives. At this time, we do not have any bank credit facility or other working capital credit line under which we may borrow funds for working capital or other general corporate purposes. If our plans or assumptions change or are inaccurate regarding new lines of business within our target market, timeliness and effectiveness of implementation of new services we expect to offer, and/or weakness or lack of appreciable growth in our core business, we may be required to seek additional capital.

If funds are raised through the issuance of equity securities, the percentage ownership of our then-current stockholders will be reduced and the holders of new equity securities may have rights, preferences or privileges senior to those of the holders of our common stock. If additional funds are raised through a bank credit facility or the issuance of debt securities, the holder of such indebtedness would have rights senior to the rights of common stockholders and the terms of such indebtedness could impose restrictions on our operations. If we need to raise additional funds, we may not be able to do so on terms favorable to us, or at all.

If additional capital is required but is not available on acceptable terms or at all, we may be required to sell or otherwise dispose of portions of our business in order to sustain our operations and implement our new business plan. We may not be able to effect such sales on satisfactory terms, or at all.

Our limited cash resources will likely restrict our flexibility and overall operations.

In order for us to execute our business plan, it will be necessary for us to continue to operate under significant budgetary constraints. These constraints limit our ability to respond to business opportunities or issues as they arise. Since the wireless communications industry remains in an early stage and its needs are dynamic, our budgetary constraints may adversely affect our ability to respond to market demands and our ability to compete.

We have only a limited operating history, which makes it difficult to evaluate an investment in our common stock.

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

- manage our dependence on wireless data services which have only limited market acceptance to date;
- maintain our engineering and support organizations, as well as our distribution channels;
- negotiate and maintain favorable usage rates with telecommunications carriers;
- retain and expand our subscriber base at profitable rates;
- recoup our expenses associated with the wireless devices we resell to subscribers;
- manage expanding operations, including our ability to expand our systems if our subscriber base grows substantially;
- attract and retain management and technical personnel; and
- anticipate and respond to market competition and changes in technologies.

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

We may acquire or make investments in companies or technologies that could cause loss of value to our stockholders and disruption of our business.

Subject to our capital constraints, we intend to continue to explore opportunities to acquire companies or technologies in the future, principally as enhancements to our offerings of products and services to our deaf and hard of hearing customers. Entering into an acquisition entails many risks, any of which could adversely affect our business, including:

- failure to integrate the acquired assets and/or companies with our current business;
- the price we pay may exceed the value we eventually realize;
- loss of share value to our existing stockholders as a result of issuing equity securities as part or all of the purchase price;
- potential loss of key employees from either our current business or the acquired business;
- entering into markets in which we have little or no prior experience;
- diversion of management's attention from other business concerns;
- assumption of unanticipated liabilities related to the acquired assets; and
- the business or technologies we acquire or in which we invest may have limited operating histories, may require substantial working capital, and may be subject to many of the same risks we are.

Steps we have taken in the past few years to respond to our diminished liquidity may negatively impact our ability to do business in the future.

We have taken many steps since 2002 that we may not have taken had we had substantial additional liquidity. In addition to our relationship with EarthLink, we have implemented substantial cost-cutting measures in order to survive. Among other things, we:

- reduced our headcount from 225 employees at December 31, 2001 to 32 employees at December 31, 2005;
- reduced our expenditures on research and development from approximately \$4,174,000 in 2001 to approximately \$363,000 in 2005;
- reduced our expenditures on advertising from approximately \$4,900,000 in 2001 to approximately \$110,000 in 2005; and
- reduced our office space under lease from approximately 66,000 total square feet at December 31, 2001 to approximately 10,000 total square feet at December 31, 2005.

We understand that our capacity to do business may have been damaged by the cutbacks which we were forced to implement. If we are unable to restore our capacity, our business could be significantly and adversely affected.

We have limited resources and we may be unable to support effectively our operations.

We must continue to develop and expand our systems and operations in order to remain competitive. Our need to continually innovate has placed, and we expect it to continue to place, significant strain on our managerial, operational and financial resources. We may be unable to develop and expand our systems and operations or implement our business plan for one or more of the following reasons:

- we may not be able to retain at reasonable compensation rates qualified engineers and other employees necessary to expand our capacity on a timely basis;
- we may not be able to dedicate the capital necessary to effectively develop and expand our systems and operations; and
- we may not be able to expand our customer service, billing and other related support systems.
- If we cannot manage our operations effectively, our business and operating results will suffer. Additionally, any failure on our part to develop and maintain our services if we experience rapid growth could significantly adversely affect our reputation and brand name which could reduce demand for our services and adversely affect our business, financial condition and operating results.

Our business prospects depend in part on our ability to maintain and improve our services as well as to develop new services.

We believe that our business prospects depend in part on our ability to maintain and improve our current services and to develop new services. Our services will have to achieve market acceptance, maintain technological competitiveness and meet an expanding range of customer requirements. 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 do not respond effectively and on a timely basis to rapid technological change, our business could suffer.

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

- effectively use and integrate new technologies;
- continue to develop our technical expertise;
- enhance our engineering and system design capabilities;
- develop applications for new networks and services;
- develop services that meet changing customer needs;
- influence and respond to emerging industry standards and other changes; and
- advertise and market our services.

We depend upon carriers' networks. If we do not have continued access to sufficient capacity on reliable networks, our business will suffer.

Our success partly depends on our ability to buy sufficient capacity on or offer our services over the networks of carriers and on the reliability and security of their systems. We depend on these companies to provide uninterrupted and "bug free" service and would be adversely affected if they failed to provide the required capacity or needed level of service. In recent years, certain carriers experienced financial difficulties and sought protection under the bankruptcy laws. We cannot assure you that these companies will emerge from bankruptcy or that others will not seek similar protection. Such bankruptcies may result in discontinued or interrupted service and fewer network alternatives. In addition, although we have some forward price protection in our existing agreements with certain carriers, we could be adversely affected if carriers were to increase the prices of their services. Our existing agreements with the carriers generally have one-to-three year terms. Some of these carriers are, or could become, our competitors.

We depend on third parties for sales of certain of our products and services which could result in variable and unpredictable revenues.

We rely substantially on the efforts of others to sell many of our communications products and services. Should our relationships with distribution parties cease or be less successful than anticipated, our business results of operations, and financial condition would be materially adversely affected. While we monitor the activities of our distributors and resellers, we cannot control how those who sell and market our products and services perform and we cannot be certain that their performance will be satisfactory. If the number of customers we obtain through these efforts is substantially lower than we expect for any reason, this would have a material adverse effect on our business, operating results and financial condition.

We depend on retaining key personnel. The loss of our key employees and the inability to recruit talented new personnel could materially adversely affect our business.

Due to the technical nature of our services and the dynamic market in which we compete, our performance depends on retaining and hiring certain key employees, including technically proficient personnel. Competitors and others have recruited our employees in recent years as we have found it necessary to implement cost controls that have reduced the attractiveness of employment with us. A major part of our compensation to our key employees is in the form of stock option grants. The prolonged depression in our stock price may make it difficult for us to attract and retain qualified personnel.

Systems failures could harm our business by injuring our reputation or lead to claims of liability for delayed, improper or unsecured transmission of data.

A significant barrier to the growth of electronic commerce has been the need for secure and reliable transmission of confidential information. Our existing network services are dependent on near immediate, continuous feeds from various sources. The ability of our subscribers to quickly access data requires timely and uninterrupted connections with our network carriers. Any significant disruption from our backup landline feeds could result in delays in our subscribers' ability to receive such information. In addition, 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 subscribers' 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 business. There can be no assurance that our systems will operate appropriately if we experience a hardware or software failure. A failure in our systems could cause delays in transmitting data and, as a result, we may lose customers or face litigation that could materially adversely affect our business.

An interruption in the supply of products and services that we obtain from third parties could cause a decline in sales of our services.

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

We may face increased competition which may negatively impact our prices for our services or cause us to lose business opportunities.

The market for our services is becoming increasingly competitive. The widespread adoption of industry standards may make it easier for new market entrants and existing competitors to introduce services that compete against ours. We developed our solutions using standard industry development tools. Many of our agreements with carriers, device manufacturers and data providers are non-exclusive. Our competitors may use the same products and services in competition with us. With time and capital, it would be possible for competitors to replicate our services and offer similar services at a lower price. We expect that we will compete primarily on the basis of the functionality, breadth, quality and price of our services. Our current and potential competitors include:

- wireless carriers, such as Cingular, Verizon Wireless, Velocita, Sprint Nextel and T-Mobile, and distributors such as RACO, WirelessRain and Venecom;
- relay providers such as AT&T, Sprint Nextel, Verizon/MCI, Sorenson, Hamilton and Communications Services for the Deaf; and
- prepaid providers such as IDT, STI, VCG , Tricom and Codetel.

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

Our intellectual property rights may not be adequately protected under the current state of the law.

We rely primarily on trade secret laws, copyright law, trademark law, unfair competition law and confidentiality agreements to protect our intellectual property. To the extent that our technology is not adequately protected by intellectual property law, other companies could develop and market similar products or services which could materially adversely affect our business.

We may be sued by third parties for infringement of their proprietary rights and we may incur defense costs and possibly royalty obligations or lose the right to use technology important to our business.

The telecommunications and software industries are characterized by protection and vigorous enforcement of applicable intellectual property rights. As the number of participants in our market increases, the possibility of an intellectual property claim against us increases. Any intellectual property claims, with or without merit, could be time consuming and expensive to litigate or settle and could divert management attention from administering our business. A third party asserting infringement claims against us or our customers with respect to our current or future products may materially adversely affect us by, for example, causing us to enter into costly royalty arrangements or forcing us to incur settlement or litigation costs.

We may be subject to liability for transmitting certain information, and our insurance coverage may be inadequate to protect us from this liability.

We may be subject to claims relating to information transmitted over systems we develop or operate. These claims could take the form of lawsuits for defamation, negligence, copyright or trademark infringement or other actions based on the nature and content of the materials. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to cover all costs incurred in defense of potential claims or to indemnify us for all liability that may be imposed.

Our quarterly operating results are subject to significant fluctuations and, as a result, period-to-period comparisons of our results of operations are not necessarily meaningful.

Our quarterly operating results may fluctuate significantly in the future as a result of a variety of factors. These factors include:

- the demand for and market acceptance of our services;
- downward price adjustments by our competitors on services they offer that are similar to ours;
- changes in the mix of services sold by our competitors;

- technical difficulties or network downtime;
- the ability to meet any increased technological demands of our customers; and
- economic conditions specific to our industry.

Therefore, our operating results for any particular quarter may differ materially from our expectations or those of security analysts and may not be indicative of future operating results. The failure to meet expectations may cause the price of our common stock to decline.

If we fail to manage growth effectively, our business could be disrupted which could harm our operating results.

If we are successful in implementing our business plan, we may experience growth in our business. In that event, it will be necessary for us to expand our workforce and to train, motivate and manage additional employees as the need for additional personnel arises. Our personnel, systems, procedures and controls may not be adequate to support our future operations. Any failure to effectively manage future growth could have a material adverse effect on our business.

We are vulnerable to circumstances outside of our control which could seriously disrupt our business.

Our software, as well as any ancillary hardware, is vulnerable to damage or interruption from:

- fire, flood, and other natural disasters;
- power loss, computer systems failures, Internet and telecommunications or data network failure, operator negligence, improper operation by or supervision of employees, physical and electronic loss of data or security breaches, misappropriation, and similar events; and
- computer viruses.

Any disruption in the operation of our software, the loss of employees knowledgeable about such software, or our failure to continue to effectively modify and upgrade such software could interrupt our operations or interfere with our ability to provide service to our customers, which could result in reduced sales and affect our operations and financial performance.

Risks Particular To Our Industry

The market for our services is new and highly uncertain.

The market for communications services has grown rapidly in recent years and the number and variety of competitive services is significant. Current barriers to market acceptance of these services include cost, reliability, functionality and ease of use. Based on these factors and competitive aspects of the market, we cannot be certain of initial or continuing market acceptance of our services. If the market for our services does not grow or grows slower than we currently anticipate, our business, financial condition and operating results could be materially adversely affected.

New laws and regulations that impact our industry could materially adversely affect our business.

Aspects of our relay and prepaid business are subject to direct regulation and decisions by the FCC which could materially adversely affect our business. In addition, the carriers who supply us with network access are subject to regulation by the FCC and regulations that affect them could materially adversely affect our business. Our business could suffer significantly depending on the extent to which our activities or those of our customers or suppliers are regulated.

Risks Particular To Stock Price

Our stock price, like that of many technology companies, has been and may continue to be volatile.

We expect that the market price of our common stock will fluctuate as a result of variations in our quarterly operating results and other factors beyond our control. These fluctuations may be exaggerated if the trading volume of our common stock is low. In addition, due to the technology-intensive and emerging nature of our business, the market price of our common stock may rise and fall in response to a variety of factors, including:

- announcements of technological or competitive developments;
- acquisitions or strategic alliances by us or our competitors;
- the gain or loss of a significant customer or order;
- changes in estimates of our financial performance or changes in recommendations by securities analysts regarding us or our industry; or
- general market or economic conditions.