



DIVISION OF  
CORPORATION FINANCE

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

August 21, 2012

Via E-Mail

Bob Bates  
Chief Financial Officer  
Inova Technology, Inc.  
2300 W. Sahara Ave., Suite 800  
Las Vegas, Nevada 89102

**Re: Inova Technology, Inc.  
Amendment No. 1 to Registration Statement on Form S-1  
Filed August 9, 2012  
File No. 333-182813**

Dear Mr. Bates:

We have reviewed your registration statement and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by amending your registration statement and providing the requested information. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your registration statement and the information you provide in response to these comments, we may have additional comments.

General

1. Please revise your registration statement to include sequential and accurate page numbers. Please also ensure that your page numbers correspond to the page numbers reflected in your table of contents. Please refer to Rule 403(d) under the Securities Act of 1933, as amended.
2. For each amendment to your registration statement, please include the amendment number (e.g., "Amendment No. 2") on the facing page of the EDGAR-filed document. Please refer to Rule 470 under the Securities Act. In addition, with the filing of each subsequent amendment, please EDGAR-file a marked version of the amendment indicates clearly and precisely, by underlining or in some other appropriate manner, the changes effected in the registration statement by the amendment. Please refer to Rule 472 under the Securities Act.

3. Please revise your registration statement to comply with the requirements of Form S-1. In this regard, we note that you appear to have cut information from your periodic filings and pasted it into your registration statement, which has resulted in this inclusion of inapplicable or duplicative information or both. By way of example only and not intended as an exhaustive list, we note the following:

- Your filing refers to “Part III” information and there is no such part to Form S-1; and
- Your filing includes two “Item 9”, “Item 13” and “Item 14” sections which contain different information and are inconsistent with Form S-1 and your table of contents.

Please revise your registration statement accordingly to comply with the requirements of Form S-1.

#### Registration Statement Cover Page

4. Footnote 2 to your fee table refers to an underwriter over-allotment option. As the prospectus cover page discloses that this is a self-underwritten offering without any participation by underwriters, please delete this footnote.

#### Prospectus Cover Page

5. We note that there are blanks and place holders on your prospectus cover page that are not permitted by Rule 430A. For example, we note that you do not provide the date of the most recent reported sales price of your common stock, you do not provide a page reference to your Risk Factors disclosure, you do not provide the date upon which your offering will terminate, and you do not provide the date of this prospectus. Please complete all required disclosure on your Prospectus Cover Page and throughout your filing with your next amendment.

#### Third Party Data

6. We note your statement that “[a]lthough we believe the information in these industry publications, surveys and forecasts is reliable, we have not independently verified the accuracy or completeness of the information.” As you are legally responsible for all statements that you choose to include in your registration statement, and as the aforementioned statement suggests otherwise as to third party information, please revise your registration statement to delete this statement and remove any implication that you are not responsible for statements that you choose to include in your filing.

#### Prospectus Cover Page

7. Please revise your disclosure to clarify whether you have the ability to extend the Offering Period. Please make conforming revisions throughout the prospectus.

8. We note your statement in the fourth paragraph that “the offering price of the common stock offered hereby is estimated to be \$0.01 per share.” Please either tell us what you mean by characterizing the offering price as “estimated” or revise your disclosure to clarify, if true, that the offering price is a fixed price of \$0.01 per share.

#### Prospectus Summary

9. Please revise the second paragraph under the above subheading to provide the correct address of the SEC’s public reference room. The address you have provided appears to be your company’s address.
10. Please ensure that the information you provide in your summary is balanced. For example, you emphasize the development of your business, but you do not discuss your history of net losses from operations, your significant liabilities, including more than \$11 million in notes, or that your auditor has expressed doubt as to your ability to continue as a going concern. Please revise your prospectus summary to address these and other material issues necessary to present a balanced picture of your business.

#### About INOVA Technology, Inc.

#### Organization and History of the Company

11. The disclosure you provide in this section is nearly identical to the disclosure provided in your Description of Business section. Please revise your summary to eliminate disclosure that is repeated in different sections of the document but does not enhance the quality of the information provided. See Note 4 to Rule 421(b) under the Securities Act of 1933.
12. We note your statement about obtaining funding from IBM and Boone Opportunity Lenders. Please revise your disclosure to describe your relationships with IBM and Boone Opportunity Lenders.

#### Trakkers, LLC

13. In the first paragraph, please revise your disclosure to clarify what you mean by the statement “the technology may be applied to many other verticals.”

#### The Offering

14. Next to the heading “Common stock offered by us,” please disclose the number of shares that you are offering. In addition, next to the heading “Common stock outstanding after this offering,” please either remove the two existing footnote references, as there do not appear to be any corresponding footnotes, or add the missing footnotes.

## Risk Factors

### Government Spending & Regulation

15. Please revise the caption to this risk factor to succinctly describe the risk. In addition, please expand the body of the risk factor to provide greater context for the risk. For example, please indicate the amount of revenue you derive from the “Erate” program, please discuss the material terms of this program as they relate to you and your business and please clarify how the terms of the program could change. Please refer to Item 503(c) of Regulation S-K.

### Our executive officers and directors have significant shareholdings, which may lead to conflicts with other shareholders over corporate governance matters

16. Please revise both the caption to and body of this risk factor to clarify that, because of the magnitude of their share holdings, your directors and officers have the ability to determine the outcome of all matters on which shareholders might vote.

### Funds raised in this offering are available for immediate use and at the discretion of our management

17. Please revise this risk factor to clarify that your existing creditors may pursue any amounts you raise in your offering to satisfy debts that you owe to them. In this regard, please disclose in this risk factor how much you owe to creditors, and identify your major creditors by name.

### Determination of Offering Price

18. Please revise your disclosure to clarify that for the duration of the offering you will offer and sell shares at a fixed price of \$0.01 per share.

### Use of Proceeds

19. We note that your entire offering may not be sold. As such, please provide the scaled use of proceeds disclosure required by Instruction 1 to Item 504 of Regulation S-K. In addition, as you may use proceeds to repay debt, please provide the information required by Instruction 4 to Item 504 of Regulation S-K.

### Allocation of funds

20. Please add a row to this table indicating the percentage of the offering represented by each dollar amount in the “Amount raised” row (e.g., for \$375,000 indicates that it represents 10% of the maximum number of shares you are offering).

#### Directors and Executive Officers

21. For each director, please revise your disclosure to briefly discuss the specific experience, qualifications, attributes or skills that led to the conclusion that the person should serve as a director. Please refer to Item 401(e) of Regulation S-K.
22. For Mr. Bates, please revise your disclosure to identify by the name the “other Billion dollar companies” for which he has worked. In addition, please clarify what work he performed with KPMG. Finally, please clarify whether the Catalyst Group is a public company.

#### Summary Compensation Table

##### Narrative Disclosure to Summary Compensation Table

23. The last paragraph under the above subheading states that your directors do not receive compensation for their services. In contrast, your Summary Compensation Table reflects that each of your directors received some form of compensation. Please revise to make your disclosure accurate and consistent.
24. Please revise your disclosure to clarify for how long and on what terms Mr. Radley has agreed to provide his services to you at no cost.

#### Security Ownership of Certain Beneficial Owners

25. Please expand footnotes 1 and 2 to your beneficial ownership table to clarify the number of shares directly held by each of the referenced entities, and the nature of the relationship between each referenced entity and the individual listed in your table. Please also confirm whether Mr. Auger is affiliated with a company named “Advisors, LLC” or revise this disclosure to provide the full name of the referenced company.

#### Dilution

26. Please revise to include the shares issued in the offering in calculating net tangible book value per share after the offering and the dilution to new investors for each presented percentage of the shares offered.

#### Capitalization

27. Please include an introduction to your table to explain what you are attempting to portray. Further, we note your disclosure "on a pro forma as adjusted to give effect to the issuance of the common stock offered hereby and the use of proceeds, as described in the section

entitled "Use of Proceeds." It is not evident that any of the information presented was adjusted. Please revise.

#### Comparative Data

28. Please revise to correct the total consideration of \$ 375,000,000.00 from new shareholders disclosed to \$3,750,000.

#### Management's Discussion and Analysis of Financial Condition and Results of Operations

29. Please expand your disclosure to also cover the period ending April 30, 2010. See Instruction 1 to Item 303(a) of Regulation S-K.

#### Results of Operations for the year ended April 30, 2012 compared to year ended April 30, 2011

30. Please refer to the second paragraph. You state the decrease in selling, general and administrative expenses was "[p]rimarily the result of the loss on transfer of a decrease in sales." Please revise your disclosure to clarify the meaning of your statement and the reason for the decrease in expense.
31. Please revise to include a discussion of the increase in cost of revenues relative to sales as compared to the prior year.
32. In the third paragraph you state the decreased loss is due to the decrease in operating loss of \$1.7 million. Please revise and expand your disclosure to provide an insightful discussion for the change.
33. We note you present a non-GAAP measure on page 9 that includes adjustments to the standard definition of EBITDA. We also note you are using the measure as both a performance and liquidity measure based on your reconciliation to net income and your reference to EBITDA regarding your ability to make debt payments. Please expand and revise your disclosure to address the following:
- Retitle the non-GAAP measure as adjusted EBITDA or similar caption;
  - Include a statement disclosing the reasons why management believes the presentation of the non-GAAP measure provides useful information to investors;
  - Discuss the material limitations associated with the non-GAAP measure and how management compensates for these limitations; and
  - Include in your presentation with equal or greater prominence, the most directly comparable financial measure or measures calculated and presented in accordance with GAAP; and,

- Include a reconciliation of the difference between the non-GAAP financial measure with the most directly comparable financial measure(s) calculated and presented in accordance with GAAP.

Further, please note that it is inappropriate to exclude items that required or will require cash settlement from non-GAAP liquidity measures. Please revise accordingly. See Item 10(e) of Regulation S-K and Non-GAAP C&DI Question 103.01.

#### Liquidity and Capital Resources

34. Item 303(A)(1) and (2) of Regulation S-K requires you to discuss known trends or any known demands, commitments, events or uncertainties that will result in or are reasonably likely to impact your liquidity in any material way as well as any material changes in the mix or relative costs of your capital resources. Given the fact that you have been in default under your debt agreements for an extended period of time and have not yet redeemed the preferred stock issued, please expand your disclosures to discuss in more detail your developments in renegotiating your debt agreements. For example, please specify those lenders that have agreed to you not making payments currently and the date(s) through which you are not required to make payments. Further, please address the potential impact if these matters are not resolved including but not limited to any changes in control that could result from the convertible debt instruments.

#### Financial Statements

##### Report of Independent Registered Public Accounting Firm

35. Please explain why the independent auditors' report is addressed to you at a location in Santa Monica, California. In this regard we note your corporate address is Las Vegas, Nevada and you disclose in your Form S-1 under Summary of Business Operations that you have offices in Nevada, Texas and Montana.

##### Note 2 – Summary of Significant Accounting Policies, page 16

##### Fair Value Measurements, pages 19 to 20

36. Please provide a description of your valuation technique(s) used and the inputs used for your fair value measurements under Level 2 and Level 3. See FASB ASC 820-10-50-2(e).

##### Note 3 – Going Concern, page 21

37. We note your last sentence describing management's plans to resolve the conditions regarding your ability to continue operations as a going concern. Please note Section

607.02 of the Financial Reporting Codification requires appropriate and prominent disclosure of a company's financial difficulties along with all of its viable plans to overcome such difficulties when the filing contains an accountant's report that is qualified as a result of questions about an entity's continued existence. Please expand your disclosure accordingly. Further, if loans from officers and directors are among your viable plans, please revise your disclosure to address this source of funds.

Note 4 –Contract Receivables & Credit Facility Receivable, page 23

38. We note your disclosure that the loss on sales of receivables to NETF is determined based on the amount transferred less any fees, discounts and other charges. You also disclose that the loss on the sales recognized in 2012 and 2011 is the amount of fees incurred on the gross margin advances. Please explain to us and clarify how the loss on sales of receivables is derived.
39. Please revise to provide all the disclosure required by FASB ASC 860-20-50-3(d) including the following:
- Proceeds from new transfers;
  - Purchases of previously transferred financial assets; and,
  - Servicing fees.

Note 6. Goodwill and Intangibles, page 25

40. Please revise to include a description of the facts and circumstances regarding the Trakkers' goodwill impairment loss recognized as required by FASB ASC 350-20-50-2(a).

Note 10 – Commitments and Contingencies, page 39

41. Please expand your disclosure clarify whether you have assessed the likelihood of loss as remote, reasonably possible, or probable regarding the Ascendant suit. If there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, please either disclose an estimate (or, if true, state that the estimate is immaterial in lieu of providing quantified amounts) of the additional loss or range of loss, or state that such an estimate cannot be made. See FASB ASC 450-20-50.

Note 15 – Redeemable Preferred Stock & Non-Controlling Interest

42. We note you were obligated to redeem the preferred stock by issuing 10% of the ownership of Trakkers LLC on the third anniversary of the issuance of the preferred stock which appears to have been in September 2011. Please disclose whether the original



sellers have agreed to renegotiate the settlement option in the event issuance is in conflict with other secured creditors of Trakkers LLC and any time frames imposed by the sellers to resolve this matter.

Note 17 – Major Customers and Major Vendors, page 44

43. Please revise to disclose the total amount of revenues from each of your major customers as required by FASB ASC 280-10-50-42.

Note 18 – Segment Information, page 44

44. Please revise to provide the revenue disclosures by product and service group required by FASB ASC 280-10-50-40. In this regard, please distinguish between product sales and product rentals.

Item 17. Undertakings

45. Please revise your undertakings to include the undertaking set forth at Item 512(a)(5)(ii) of Regulation S-K.

Exhibit Index

46. Please revise your exhibit index to be complete, clear and accurate.

Signatures

47. Please revise your signatures to identify and include the signature of your controller or principal accounting officer. See Instruction 1 to Signatures on Form S-1.
48. Please revise the signatures of your directors and officers to include the specific date upon which the registration statement was signed by each such individual.

Exhibits

49. Please note that you must file all required exhibits, including your legal opinion. Please ensure that you provide the staff sufficient time to review all exhibits before requesting acceleration of the effectiveness of your filing.

General

50. To the extent comments issued in our review of your registration statement also apply to your Form 10-K, please revise your Form 10-K accordingly.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Act of 1933 and all applicable Securities Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

Notwithstanding our comments, in the event you request acceleration of the effective date of the pending registration statement please provide a written statement from the company acknowledging that:

- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- the company may not assert staff comments and the declaration of effectiveness as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please refer to Rules 460 and 461 regarding requests for acceleration. We will consider a written request for acceleration of the effective date of the registration statement as confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. Please allow adequate time for us to review any amendment prior to the requested effective date of the registration statement.

You may contact Donna Di Silvio, Staff Accountant, at (202) 551-3202 or in her absence, Andrew Mew, Accounting Branch Chief, at (202) 551-3377 if you have questions regarding comments on the financial statements and related matters. Please contact Dieter King, Legal Branch Chief, at (202) 551-3338 or me at (202) 551-3720 with any other questions.

Sincerely,

/s/ Dietrich King for

Mara L. Ransom  
Assistant Director