

RR Donnelley & Sons Co
Form S-4
March 24, 2015
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Registration No. 333-[]

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

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

R.R. DONNELLEY & SONS COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

2750
(Primary Standard Industrial

36-10004130
(IRS Employer

Classification Code Number)
111 South Wacker Drive

Identification No.)

Chicago, Illinois 60606-4301

(312) 326-8000

(Address, including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Suzanne S. Bettman

R.R. Donnelley & Sons Company

111 South Wacker Drive

Chicago, Illinois 60606-4301

(312) 326-8000

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With a copy to:

Scott R. Williams

Sidley Austin LLP

One South Dearborn

Chicago, Illinois 60603

(312) 853-7783

James F. Conway III

**Chairman, President and Chief Executive
Officer**

Courier Corporation

15 Wellman Avenue

North Chelmsford, MA 01863

(978) 251-6000

Robert P. Whalen, Jr., Esq.

James A. Matarese, Esq.

Goodwin Procter LLP

Exchange Place

Boston, Massachusetts 02109

(617) 570-1000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement is declared effective.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, par value \$1.25 per share	8,000,000 shares ⁽¹⁾	N/A	\$151,746,451 ⁽²⁾	\$17,633 ⁽³⁾

(1) Represents the number of shares of common stock, par value \$1.25 per share, of the registrant (R.R. Donnelley common stock) to be issued upon completion of the merger (the merger) of Raven Solutions, Inc., a wholly owned subsidiary of R.R. Donnelley & Sons Company (R.R. Donnelley), with and into Courier Corporation (Courier).

(2) Pursuant to Rules 457(c), 457(f)(1) and 457(f)(3) promulgated under the Securities Act and solely for the purpose of calculating the registration fee, the proposed aggregate maximum offering price is (i) the product of (x) \$23.97 (the average of the high and low prices of Courier common stock as reported on the NASDAQ Global Select Market on March 17, 2015) times (y) 12,045,512 (the estimated maximum number of shares of Courier common stock that may be exchanged or cancelled in connection with the merger, based on the number of shares of Courier common stock and shares of Courier common stock subject to options outstanding as of March 17, 2015) minus (ii) \$136,984,471 (the estimated amount of cash to be paid by R.R. Donnelley to Courier shareholders and holders of options to purchase shares of Courier common stock in the merger).

(3) Computed based on a rate of \$116.20 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. R.R. Donnelley & Sons Company may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and R.R. Donnelley & Sons Company is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED MARCH 24, 2015

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

[], 2015

Dear Shareholder:

We cordially invite you to attend a special meeting of shareholders of Courier Corporation, a Massachusetts corporation, to be held on [], 2015, at [] Eastern time at []. As previously announced, on February 5, 2015, Courier entered into a merger agreement providing for the acquisition of Courier by R.R. Donnelley & Sons Company, a Delaware corporation. At the special meeting, you will be asked to consider and vote upon a proposal to approve the merger agreement.

If the merger contemplated by the merger agreement is completed, you will be entitled to receive for each share of Courier common stock, at your election, (i) an amount in cash equal to \$23.00, without interest or (ii) 1.3756 shares of R.R. Donnelley common stock, subject to proration so that a total of 8,000,000 shares of R.R. Donnelley common stock will be issued in the merger. Shares of R.R. Donnelly common stock are listed on the NASDAQ Global Select Market under the ticker symbol RRD. Following the merger, Courier will no longer be a publicly held corporation, so its common stock will be delisted from The NASDAQ Global Select Market and it will stop filing periodic reports with the SEC.

The merger cannot be completed unless Courier shareholders holding at least two-thirds of the shares of Courier common stock outstanding as of the close of business on [], the record date for the special meeting, vote in favor of the proposal to approve the merger agreement at the special meeting. Courier directors and executive officers James F. Conway III, Paul Braverman, Kathleen Foley Curley, Edward J. Hoff, John J. Kilcullen, Peter K. Markell, Ronald L. Skates, W. Nicholas Thorndike, Susan L. Wagner, Rajeev Balakrishna and Peter M. Folger, who collectively control []% of the voting power of the outstanding shares of Courier common stock entitled to be cast at the special meeting, have each entered into voting agreements with R.R. Donnelley that obligate them to vote in favor of the proposal to approve the merger agreement.

Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless the proposal to approve the merger agreement is approved by the affirmative vote of the holders of at

least two-thirds of the outstanding shares of Courier common stock entitled to vote thereon. A failure to vote or an abstention will have the same effect as a vote AGAINST the proposal to approve the merger agreement.

Even if you plan to attend the special meeting in person, Courier requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or over the Internet prior to the special meeting to ensure that your shares of Courier common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

YOUR PROXY IS BEING SOLICITED BY THE BOARD OF DIRECTORS OF COURIER. AFTER CAREFUL CONSIDERATION, OUR BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE TERMS OF THE MERGER AGREEMENT, AND THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, ARE IN THE BEST INTERESTS OF COURIER AND ITS SHAREHOLDERS AND RECOMMENDED THAT COURIER SHAREHOLDERS APPROVE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY. OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO APPROVE THE MERGER AGREEMENT AND FOR THE OTHER PROPOSALS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS. THE BOARD OF DIRECTORS MADE ITS DETERMINATION AFTER CONSULTATION WITH ITS LEGAL AND FINANCIAL ADVISORS AND AFTER CONSIDERING A NUMBER OF FACTORS. IN CONSIDERING THE RECOMMENDATION OF THE BOARD OF DIRECTORS OF COURIER, YOU SHOULD BE AWARE THAT CERTAIN DIRECTORS AND EXECUTIVE OFFICERS OF COURIER MAY HAVE INTERESTS IN THE MERGER THAT MAY BE DIFFERENT FROM, IN ADDITION TO OR IN CONFLICT WITH, THE INTERESTS OF COURIER SHAREHOLDERS GENERALLY. SEE THE SECTION ENTITLED INTERESTS OF COURIER S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER BEGINNING ON PAGE [] OF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS.

In particular, we urge you to read carefully the section entitled Risk Factors beginning on page 30 of the attached proxy statement/prospectus. If you have any questions regarding the accompanying proxy statement/prospectus, you may call MacKenzie Partners, Inc., Courier s proxy solicitor, by calling toll-free at (800) 322-2885 or by calling collect at (212) 929-5500.

We urge you to read the accompanying proxy statement/prospectus, including the Annexes and the documents incorporated by reference, carefully and in their entirety.

On behalf of the board of directors of Courier, thank you for your consideration and continued support.

Sincerely,

James F. Conway III

Chairman, President and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE MERGER OR OTHER TRANSACTIONS DESCRIBED IN THE ATTACHED PROXY STATEMENT/PROSPECTUS OR THE SECURITIES TO BE

**ISSUED PURSUANT TO THE MERGER UNDER THE ATTACHED PROXY STATEMENT/
PROSPECTUS NOR HAVE THEY DETERMINED IF THE ATTACHED PROXY STATEMENT/
PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A
CRIMINAL OFFENSE.**

The accompanying proxy statement/prospectus is dated [] and is first being mailed to Courier shareholders on or about [].

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COURIER CORPORATION

15 Wellman Avenue

North Chelmsford, Massachusetts 01863

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF COURIER CORPORATION [], 2015

To the Shareholders of Courier Corporation:

A special meeting of the shareholders of Courier Corporation (Courier), will be held on [], 2015, at [] Eastern time at [] (the special meeting) to consider and vote upon the following matters:

1. to approve the Agreement and Plan of Merger, dated as of February 5, 2015 (as amended from time to time, the merger agreement), by and among Courier, R.R. Donnelley & Sons Company (RRD), Raven Solutions, Inc. (Merger Sub) and Raven Ventures LLC (Merger LLC), pursuant to which Merger Sub will merge with and into Courier, with Courier being the surviving company (the merger), immediately followed by a merger of Courier with and into Merger LLC, with Merger LLC being the surviving company, surviving as a wholly-owned subsidiary of RRD;
2. to consider and cast an advisory (non-binding) vote upon a proposal to approve compensation payable to certain executive officers of Courier in connection with the merger;
3. to approve the adjournment or postponement of the special meeting if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement; and
4. to transact any other business that may properly come before the special meeting or any adjournment or postponement thereof.

THE COURIER BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT COURIER SHAREHOLDERS VOTE FOR EACH PROPOSAL.

The above matters are more fully described in this document, which also includes, as Annex A, a copy of the merger agreement. The record date for the determination of the shareholders entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting, was the close of business on [], 2015. At least 10 days prior to the special meeting, a complete list of shareholders of record as of [], 2015 will be available for inspection at Courier s executive offices located at the address set forth above.

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As a shareholder of record, you are cordially invited to attend the special meeting in person. Regardless of whether you expect to be present at the special meeting, please either complete, sign and date the enclosed proxy card and mail it promptly in the enclosed envelope or vote electronically via the Internet or telephone as described in greater detail in the proxy statement/prospectus and on the enclosed proxy card. Returning the enclosed proxy card, or voting electronically or telephonically, will not affect your right to vote in person if you attend the special meeting. You should NOT send certificates representing Courier common stock with the proxy card.

By Order of the Board of Directors,

James F. Conway III

Chairman, President and Chief Executive Officer

[], 2015

YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE MERGER OR THE SPECIAL MEETING, PLEASE CONTACT COURIER CORPORATION, ATTENTION: INVESTOR RELATIONS, 15 WELLMAN AVENUE, NORTH CHELMSFORD, MASSACHUSETTS 01863 (978) 251-6136. IF YOU HAVE QUESTIONS ABOUT VOTING YOUR SHARES, PLEASE FOLLOW THE CONTACT INSTRUCTIONS ON YOUR PROXY CARD.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Courier Corporation, which we refer to as Courier, and R.R. Donnelley & Sons Company, which we refer to as R.R. Donnelley, from other documents that Courier and R.R. Donnelley have filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled

Where You Can Find More Information beginning on page [] of this proxy statement/prospectus. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at www.sec.gov.

Any person may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Courier, without charge, by written or telephonic request directed to Courier Corporation, Attention: Corporate Secretary and Clerk, 15 Wellman Avenue, North Chelmsford, Massachusetts 01863, Telephone (978) 251-6136; or MacKenzie Partners, Inc., which we refer to as MacKenzie, Courier's proxy solicitor, by mail at 105 Madison Avenue, New York, New York 10016, by telephone at (800) 322-2885 (toll-free) or (212) 929-5500 (collect), or by e-mail at proxy@mackenziepartners.com.

You may also request a copy of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning R.R. Donnelley, without charge, by written or telephonic request directed to R.R. Donnelley & Sons Company, Attention: Investor Relations, 111 South Wacker Drive, Chicago, Illinois 60606 until mid-May of 2015 and 35 West Wacker Drive, Chicago, Illinois 60601 thereafter, Telephone (800) 742-4455; or from the SEC through the SEC website at the address provided above.

In order for you to receive timely delivery of the documents in advance of the special meeting of Courier shareholders to be held on [], which we refer to as the special meeting, you must request the information by [].

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by R.R. Donnelley (File No. 333-[]), constitutes a prospectus of R.R. Donnelley under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of common stock of R.R. Donnelley, which we refer to as R.R. Donnelley common stock, to be issued to Courier shareholders pursuant to the Agreement and Plan of Merger, dated as of February 5, 2015, by and among Courier Corporation, R.R. Donnelley & Sons Company, Raven Solutions, Inc. and Raven Ventures LLC, as it may be amended from time to time, which we refer to as the merger agreement. This document also constitutes a proxy statement of Courier under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting, at which Courier shareholders will be asked to consider and vote upon the proposal to approve the merger agreement.

R.R. Donnelley has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to R.R. Donnelley, and Courier has supplied all such information relating to Courier.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. R.R. Donnelley and Courier have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated [], and you should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the

information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to Courier shareholders nor the issuance by R.R. Donnelley of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.

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Annex B	<u>Form of Voting Agreement, dated as of February 5, 2015, by and between R.R. Donnelley and the directors and executive officers of Courier</u>	B-1
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QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETING

The following questions and answers are intended to briefly address some commonly asked questions regarding the mergers (as defined below), the merger agreement, the voting agreements, dated as of February 5, 2015, between each of the directors and executive officers of Courier and R.R. Donnelley, which we refer to as the voting agreements, and the special meeting. These questions and answers may not address all questions that may be important to you as a Courier shareholder. Please refer to the section entitled Summary beginning on page [] of this proxy statement/prospectus and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled Where You Can Find More Information beginning on page [] of this proxy statement/prospectus.

Q: Why am I receiving this proxy statement/prospectus and proxy card?

A: R.R. Donnelley has agreed to acquire Courier under the terms of the merger agreement that are described in this proxy statement/prospectus. If the proposal to approve the merger agreement is approved by Courier shareholders and the other conditions to closing under the merger agreement are satisfied or waived, Raven Solutions, Inc., a Massachusetts corporation and a wholly owned subsidiary of R.R. Donnelley, which we refer to as Merger Sub, will merge with and into Courier, which we refer to as the merger, with Courier surviving the merger as a wholly owned subsidiary of R.R. Donnelley, which merger will immediately be followed by a merger of Courier with and into Raven Ventures LLC, a Massachusetts limited liability company and a wholly owned subsidiary of R.R. Donnelley, which we refer to as Merger LLC, with Merger LLC surviving as a wholly owned subsidiary of R.R. Donnelley, which we refer to as the surviving company. We refer to the merger and the subsequent merger as the mergers. As a result of the merger, Courier will no longer be a publicly held corporation. Following the merger, Courier common stock will be delisted from The NASDAQ Global Select Market, which we refer to as NASDAQ, and deregistered under the Exchange Act, and Courier will no longer file periodic reports with the SEC.

Courier is holding the special meeting to ask its shareholders to consider and approve the merger agreement, a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger and to approve the adjournment or postponement of the special meeting if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

This proxy statement/prospectus includes important information about the mergers, the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus, the form of voting agreement, a copy of which is attached as **Annex B** to this proxy statement/prospectus, and the special meeting. Courier shareholders should read this information carefully and in its entirety. The enclosed voting materials allow shareholders to vote their shares without attending the special meeting in person.

Q: How does the Courier board recommend that I vote at the special meeting?

A: The board of directors of Courier, which we refer to as the Courier board, unanimously recommends that Courier shareholders vote **FOR** the proposal to approve the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger and **FOR** the proposal to approve the adjournment or postponement of the special meeting if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement. See the section entitled "The Mergers Recommendation of the Courier Board; Courier's Reasons for the Merger" beginning on page [] of this proxy statement/prospectus.

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Q: What will I receive if the merger is completed?

A: Upon completion of the merger, each share of Courier common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive, at your election, (i) an amount in cash equal to \$23.00, without interest or (ii) 1.3756 shares of R.R. Donnelley common stock, which we refer to, collectively, as the per share merger consideration, subject to proration so that a total of 8,000,000 shares of R.R. Donnelley common stock will be issued in the merger. For example, if Courier shareholders elect to receive, in the aggregate, stock consideration with respect to 8,723,466 shares of Courier common stock (convertible into 12,000,000 shares of R.R. Donnelley common stock) in connection with the merger, then (x) all holders of Courier shares electing to receive cash and all holders of Courier shares not making an election will be converted into the right to receive cash consideration and (y) a Courier shareholder making a stock election with respect to 728 shares of Courier common stock would receive the stock consideration with respect to 485 of such shares of Courier common stock ($728 \times 8,000,000/12,000,000$) and the cash consideration with respect to the remaining portion of such shares of Courier common stock.

Q: How do I calculate the value of the per share merger consideration?

A: Because R.R. Donnelley will pay a fixed amount of cash and issue a fixed number of shares of R.R. Donnelley common stock as part of the per share merger consideration, the value of the per share merger consideration will depend in part on the price per share on NASDAQ of R.R. Donnelley common stock at the time the merger is completed. That price will not be known at the time of the special meeting and may be greater or less than the current price of R.R. Donnelley common stock or the price of R.R. Donnelley common stock at the time of the special meeting.

Based on the closing price of \$16.72 of R.R. Donnelley common stock on NASDAQ on February 4, 2015, the date prior to the date of the execution of the merger agreement and the last trading day before the public announcement of the merger agreement, the stock component of the per share merger consideration represented approximately \$23.00 per share of Courier common stock. Based on the closing price of \$18.62 of R.R. Donnelley common stock on NASDAQ on March 17, 2015, the latest practicable date before the filing of this registration statement, the stock component of the per share merger consideration represented approximately \$25.61 per share of Courier common stock.

Q: What happens if I am eligible to receive a fraction of a share of R.R. Donnelley common stock as part of the per share merger consideration?

A: A: If the aggregate number of shares of R.R. Donnelley common stock that you are entitled to receive as part of the per share merger consideration includes a fraction of a share of R.R. Donnelley common stock, you will receive cash in lieu of that fractional share. See the section entitled "The Merger Agreement Fractional Shares" beginning on page [] of this proxy statement/prospectus.

Q: When do you expect the merger to be completed?

A: Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page [] of this proxy statement/prospectus, including the approval of the proposal to approve the merger agreement by Courier shareholders at the special meeting, Courier and R.R. Donnelley expect that the merger will be completed during the second quarter of 2015. However, it is possible that factors outside the control of both companies could result in the merger being completed at a different time or not at all.

Q: What are the material United States federal income tax consequences of the merger to Courier shareholders?

A: It is the intention of R.R. Donnelley and Courier that the mergers, taken together, will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended,

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which we refer to as the Code. Assuming that such treatment is proper, if you are a holder of Courier common stock you generally will not recognize any gain or loss upon receipt of R.R. Donnelley common stock in exchange for Courier common stock in the merger, but may recognize gain with respect to the cash consideration and cash received in lieu of a fractional share of R.R. Donnelley common stock. However, tax matters are complicated, and the tax consequences of the mergers to you will depend on your particular facts and circumstances. You should consult your own tax advisor for a full understanding of how the merger will affect your taxes. See the section entitled "Material United States Federal Income Tax Consequences" beginning on page [] of this proxy statement/prospectus.

Q: Who can vote at the special meeting?

A: Only holders of record of Courier common stock as of the close of business on the record date of [], which we refer to as the record date, are entitled to receive notice of, and to vote at, the special meeting. Each outstanding share of Courier common stock entitles its holder to cast one vote.

Q: When and where is the special meeting?

A: The special meeting will be held on [], at [] Eastern time, at []. Courier shareholders as of the record date, or their duly appointed proxies, may attend the special meeting. If you hold shares of Courier common stock in your name as a shareholder of record and you wish to attend the special meeting, you must present evidence of your stock ownership, such as your most recent account statement, at the special meeting. You should also bring valid picture identification. If your shares of Courier common stock are held in "street name" in a stock brokerage account or by a broker, bank or other nominee and you wish to attend the special meeting, you need to bring a copy of a bank or brokerage statement to the special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification. Please note that if you plan to attend the special meeting in person and would like to vote at the special meeting, you will need to bring a legal proxy from your broker, bank or other holder of record as explained above. For additional information about the special meeting, see the section entitled "Information About the Special Meeting" beginning on page [] of this proxy statement/prospectus.

Q: What am I being asked to vote on at the special meeting?

A: You are being asked to consider and vote upon (i) a proposal to approve the merger agreement, (ii) a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger and (iii) a proposal to approve the adjournment or postponement of the special meeting if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Q: Why am I being asked to consider and vote on a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger?

A: Under SEC rules, Courier is required to seek an advisory (non-binding) vote with respect to the compensation that may be paid or become payable to its named executive officers that is based on, or otherwise relates to, the merger.

Q: What will happen if Courier shareholders do not approve this merger-related compensation?

A: Approval of the compensation that may be paid or become payable to Courier's named executive officers that is based on, or otherwise relates to, the merger is not a condition to completion of the merger. The vote is an advisory vote and will not be binding on Courier or the surviving corporation in the merger. If the merger is completed, the merger-related compensation may be paid to Courier's named executive officers to

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the extent payable in accordance with the terms of their compensation agreements and arrangements even if Courier shareholders do not approve, by advisory (non-binding) vote, the merger-related compensation.

Q: What is the vote required to approve each proposal at the Courier special meeting?

A: Approval of the merger agreement requires the affirmative vote of holders of two-thirds of the shares of Courier common stock outstanding and entitled to vote on this proposal, which we refer to as the Courier shareholder approval. Accordingly, your failure to submit a proxy card or to vote in person at the special meeting, your abstention from voting or your failure to give voting instructions to your bank, broker or other nominee if you hold your shares in street name through a bank, broker or other nominee, will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement.

Approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Courier in connection with the merger will require the affirmative vote of the holders of a majority of the Courier common stock present, in person or represented by proxy, at the special meeting and entitled to vote on this proposal. Your abstention from voting on this proposal will have no effect on the outcome of this proposal and if your shares are not in attendance at the special meeting they will have no effect on the outcome of this proposal.

Approving the adjournment or postponement of the special meeting (if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement) requires the affirmative vote of holders of a majority of the shares of Courier common stock present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal. Accordingly, your abstention will have no effect on the outcome of an adjournment proposal and if your shares are not in attendance at the special meeting they will have no effect on the outcome of any vote to adjourn or postpone the special meeting.

See the sections entitled, Information About the Special Meeting Record Date; Shares Entitled to Vote beginning on page [] of this proxy statement/prospectus and Information About the Special Meeting Quorum; Abstentions and Broker Non-Votes beginning on page [] of this proxy statement/prospectus.

Q: What is the effect of the voting agreements on the proposal to approve the merger agreement?

A: Each of Courier's directors and executive officers has entered into a voting agreement with R.R. Donnelley, pursuant to which each such director and executive officer has agreed to vote his, her or its shares in favor of the approval of the merger agreement. The voting agreements do not change the amount of votes required to approve the proposal to approve the merger agreement. The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Courier common stock entitled to vote on the matter at the special meeting, including the shares held by Courier's directors and executive officers.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A:

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If your shares of Courier common stock are registered directly in your name with the transfer agent of Courier, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares. As the shareholder of record, you have the right to vote or to grant a proxy for your vote directly to Courier or to a third party to vote at the special meeting.

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and your bank, brokerage firm or other nominee is considered the shareholder of record with respect to those shares. Your bank, brokerage firm or other nominee will send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote these shares in person at the special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the special meeting.

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Q: If my shares of Courier common stock are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee automatically vote those shares for me?

A: Your bank, brokerage firm or other nominee will only be permitted to vote your shares of Courier common stock if you instruct your bank, brokerage firm or other nominee how to vote. You should follow the procedures provided by your bank, brokerage firm or other nominee regarding the voting of your shares of Courier common stock. Under the rules that govern brokers who have record ownership of shares that are held in street name for their clients, the beneficial owners of the shares, brokers have discretion to vote these shares on routine matters but not on non-routine matters. The approval of the merger agreement is not considered a routine matter. Accordingly, brokers will not have discretionary voting authority to vote on that matter at the special meeting. A broker non-vote occurs when brokers do not have discretionary voting authority and have not received instructions from the beneficial owners of the shares on a particular non-routine matter. A broker will not be permitted to vote on the proposal to approve the merger agreement without instruction from the beneficial owner of the shares of Courier common stock held by that broker. Accordingly, shares of Courier common stock beneficially owned that have been designated on proxy cards by the broker, bank or nominee as not voted on the proposal to approve the merger agreement, which we refer to as a broker non-vote, will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement but will have no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger or the proposal to approve one or more adjournments of the special meeting.

Q: How many votes do I have?

A: Each outstanding share of Courier common stock entitles its holder to cast one vote. As of the record date, there were [] shares of Courier common stock, par value \$1 per share, outstanding and entitled to vote at the special meeting.

Q: What constitutes a quorum for the special meeting?

A: The presence, in person or represented by proxy, of a majority of all issued and outstanding shares of common stock entitled to vote at the special meeting will constitute a quorum at the meeting. Holders of shares of Courier common stock present in person at the special meeting but not voting, and shares of Courier common stock for which Courier has received proxies indicating that their holders have abstained, will be counted as present at the special meeting for purposes of determining whether a quorum is established.

Q: How do I vote?

A: *Shareholder of Record.* If you are a shareholder of record, you may vote using any of the following methods:

by telephone or on the Internet, by calling the toll-free telephone number or visiting the Internet website specified on the enclosed proxy card. Please have your proxy card handy to verify your identity using the

control number provided on your proxy card. When voting over the telephone or online you can confirm that your instructions have been properly recorded. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card or voting instruction card in the accompanying prepaid reply envelope; or

by attending the special meeting in person and casting your vote there. You may also be represented by another person at the special meeting if you execute a proper proxy designating that person.

Beneficial Owner. If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if

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you are a beneficial owner and wish to vote in person at the special meeting you must obtain a legal proxy from your bank, broker or other holder of record and present it to the inspectors of election with your ballot.

Q: How can I change or revoke my vote?

A: You have the right to revoke a proxy, whether delivered by telephone, over the Internet or by mail, at any time before it is voted at the special meeting, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to Courier prior to the time the special meeting begins. Written notice of revocation should be mailed to: Courier Corporation, Attention: Corporate Secretary and Clerk, 15 Wellman Avenue, North Chelmsford, Massachusetts 01863. If your shares are held in street name, you must contact your broker, bank or nominee to revoke and vote your proxy. If you have questions about how to vote or revoke your proxy, you should contact Courier's proxy solicitor, MacKenzie toll-free at (800) 322-2885.

Q: If a shareholder gives a proxy, how are the shares of Courier common stock voted?

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card will vote your shares of Courier common stock in the way that you indicate. When completing the telephone or Internet processes or the proxy card, you may specify whether your shares of Courier common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you are a Courier shareholder of record and you sign, date and return your proxy card but do not indicate how you want to vote or do not indicate that you wish to abstain, your shares will be voted **FOR** the proposal to approve the merger agreement, **FOR** the proposal to approve compensation payable to certain executive officers of Courier in connection with the merger and **FOR** the proposal to adjourn or postpone the special meeting if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement, and in the discretion of the proxyholders on any other matter that may properly come before the special meeting at the discretion of the Courier board.

Q: What should I do if I receive more than one set of voting materials?

A: If you hold shares of Courier common stock in street name and also directly as a record holder or otherwise or if you hold shares of Courier common stock in more than one brokerage account, you may receive more than one set of voting materials relating to the special meeting. Please complete, sign, date and return each proxy card (or cast your vote by telephone or Internet as provided on your proxy card) or otherwise follow the voting instructions provided in this proxy statement/prospectus in order to ensure that all of your shares of Courier common stock are voted. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

Q: What happens if I sell my shares of Courier common stock before the special meeting?

A: The record date is earlier than both the date of the special meeting and the effective time of the merger. If you transfer your shares of Courier common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the per share merger consideration, you must hold your shares through the effective time of the merger.

Q: Who will solicit and pay the cost of soliciting proxies?

A: Courier is soliciting proxies for the special meeting from Courier shareholders. Courier has also retained MacKenzie to solicit proxies for the special meeting from Courier shareholders for a fee of approximately \$25,000, plus reasonable out-of-pocket expenses. Courier will bear the entire cost of soliciting proxies from

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Courier shareholders, and Courier will pay all expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. In addition to this mailing, Courier's directors, officers and employees (who will not receive any additional compensation for such services) may solicit proxies. Solicitation of proxies may be undertaken through the mail, in person, by telephone, the Internet or other means. Courier may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses for forwarding proxy materials to the beneficial owners of Courier common stock and in obtaining voting instructions from such beneficial owners.

Q: What do I need to do now?

A: Even if you plan to attend the special meeting in person, after carefully reading and considering the information contained in this proxy statement/prospectus, please vote promptly to ensure that your shares are represented at the special meeting. If you are a shareholder of record, you may vote using any of the following methods:

by telephone or on the Internet, by calling the toll-free telephone number or visiting the Internet website specified on the enclosed proxy card. Please have your proxy card handy to verify your identity using the control number provided on your proxy card. When voting over the telephone or online you can confirm that your instructions have been properly recorded. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card or voting instruction card in the accompanying prepaid reply envelope; or

by attending the special meeting in person and casting your vote there. You may also be represented by another person at the special meeting if you execute a proper proxy designating that person.

If you decide to attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, must obtain a legal proxy from your bank, broker or other holder of record and present it to the inspectors of election with your ballot.

Q: How do I elect to receive the per share merger consideration in cash or shares of R.R. Donnelley common stock?

A: R.R. Donnelley will mail you a form of election as soon as reasonably practicable following the date of the mailing of the proxy statement/prospectus. The form of election will allow you to elect to receive the per share merger consideration in cash or shares of R.R. Donnelley common stock, or make no such election, subject to proration so that 8,000,000 shares of R.R. Donnelley common stock are issued in the merger. You can make your election by delivering a properly completed form of election to Computershare Trust Company, N.A., which we

refer to as ComputerShare, R.R. Donnelley's exchange agent, prior to the date that is three business days prior to the closing of the merger, which we refer to as the election deadline. If your shares of Courier common stock are held in street name through a bank, brokerage firm or other nominee, you will receive instructions from your bank, brokerage firm or other nominee as to how to make an election with respect to the per share merger consideration.

Q: How do I elect to receive the per share merger consideration in cash or shares of R.R. Donnelley common stock for shares held in the Courier Profit Sharing and Savings Plan?

A: Participants in the Courier Profit Sharing and Savings Plan who hold shares of Courier common stock in their plan accounts will receive a form of election from the agent of Fidelity Management Trust Company, the trustee of the Profit Sharing and Savings Plan. The form of election will allow participants to elect to receive the per share merger consideration in cash or shares of R.R. Donnelley common stock, or make no such election, subject to proration so that 8,000,000 shares of R.R. Donnelley common stock are issued in

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the merger. Participants can make their election by delivering the properly completed form of election to the address indicated on the form by the date indicated on the form. The trustee will make an election for Courier stock credited to a participant's account in the Profit Sharing and Savings Plan for which it has received no election in the same proportion as it elects those shares credited to participants' account for which it received election direction from participants.

Q: Should I send in my share certificates now?

A: No, please do NOT return your share certificate(s) with your proxy. If the proposal to approve the merger agreement is approved by Courier shareholders and the merger is completed, you will be sent a letter of transmittal as soon as reasonably practicable after the election deadline describing how you may exchange your shares of Courier common stock for the per share merger consideration. If your shares of Courier common stock are held in street name through a bank, brokerage firm or other nominee, you will receive instructions from your bank, brokerage firm or other nominee as to how to effect the surrender of your street name shares of Courier common stock in exchange for the per share merger consideration.

Q: Am I entitled to exercise appraisal rights instead of receiving the per share merger consideration for my shares of Courier common stock?

A: Yes. Under Part 13 of the Massachusetts Business Corporation Act, which we refer to as the MBCA, Courier shareholders who object in writing to the merger prior to the special meeting, vote against the merger at the special meeting in person or by proxy, and submit a written demand for appraisal after the special meeting will be entitled to appraisal rights in connection with the merger, and if the merger is completed, obtain payment equal to the fair value of their shares of Courier common stock instead of the per share merger consideration. These procedures are summarized in the section entitled **Appraisal Rights of Courier Shareholders** beginning on page [] of this proxy statement/prospectus. In addition, the text of Part 13 of the MBCA is reproduced in its entirety as **Annex D** to this proxy statement/prospectus. Failure to strictly comply with these provisions will result in the loss of appraisal rights.

Q: Are there any risks that I should consider in deciding whether to vote for the proposal to approve the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled **Risk Factors** beginning on page [] of this proxy statement/prospectus. You also should read and carefully consider the risk factors of R.R. Donnelley and Courier contained in the documents that are incorporated by reference into this proxy statement/prospectus.

Q: Who can help answer any other questions I have?

A:

If you need assistance in voting or completing your proxy card or have questions regarding the special meeting, please contact MacKenzie, the proxy solicitor for Courier, by mail at 105 Madison Avenue, New York, New York 10016, by telephone at (800) 322-2885 (toll-free) or (212) 929-5500 (collect), or by e-mail at proxy@mackenziepartners.com.

Q: What happens if the merger is not completed?

A: If the merger agreement and the transactions contemplated thereby are not approved by Courier shareholders or if the merger is not completed for any other reason, Courier shareholders will not receive any consideration for their shares of Courier common stock. Instead, Courier will remain an independent public company, Courier common stock will continue to be listed and traded on NASDAQ and registered under the Exchange Act and Courier will continue to file periodic reports with the SEC. Under specified circumstances, Courier may be required to pay R.R. Donnelley a termination fee of \$7.5 million and, under certain circumstances, R.R. Donnelley may be required to pay Courier a reverse termination fee of \$12.0 million. See the section entitled "The Merger Agreement Termination of the Merger Agreement Termination Fee" beginning on page [] of this proxy statement/prospectus.

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SUMMARY

The following summary highlights selected information in this proxy statement/prospectus and may not contain all the information that may be important to you as a Courier shareholder. Accordingly, we encourage you to read carefully this entire proxy statement/prospectus, its annexes and the documents referred to in this proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled "Where You Can Find More Information" beginning on page [] of this proxy statement/prospectus.

Parties to the Merger (Page [])

Courier Corporation

15 Wellman Avenue

North Chelmsford, Massachusetts 01863

(978) 251-6000

Courier Corporation, a Massachusetts corporation, is one of America's major book manufacturers and a leader in content management and customization in new and traditional media. Courier also publishes books under two brands offering award-winning content and thousands of titles. Courier, founded in 1824, was incorporated under the laws of Massachusetts on June 30, 1972.

Courier common stock is listed on NASDAQ under the symbol CRRC.

R.R. Donnelley & Sons Company

Address until mid-May of 2015:

111 South Wacker Drive,

Chicago, Illinois 60606

(312) 326-8000

Address after mid-May of 2015:

35 West Wacker Drive,

Chicago, Illinois 60601

(312) 326-8000

R.R. Donnelley & Sons Company, a Delaware corporation, is a global provider of integrated communications. R.R. Donnelley works collaboratively with more than 60,000 customers worldwide to develop custom communications solutions that reduce costs, drive top-line growth, enhance return on investment and increase compliance. Drawing on

a range of proprietary and commercially available digital and conventional technologies deployed across four continents, R.R. Donnelley employs a suite of leading Internet-based capabilities and other resources to provide premedia, printing, logistics and business process outsourcing services to clients in virtually every private and public sector.

R.R. Donnelley common stock is listed on NASDAQ under the symbol RRD.

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Raven Solutions, Inc.

Address until mid-May of 2015:

c/o R.R. Donnelley & Sons Company

111 South Wacker Drive,

Chicago, Illinois 60606

(312) 326-8000

Address after mid-May of 2015:

c/o R.R. Donnelley & Sons Company

35 West Wacker Drive,

Chicago, Illinois 60601

(312) 326-8000

Raven Solutions, Inc., a Massachusetts corporation and a wholly owned subsidiary of R.R. Donnelley, was formed solely for the purpose of facilitating the mergers. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, Merger Sub will be merged with and into Courier, Merger Sub's separate existence will cease and Courier will become a wholly owned subsidiary of R.R. Donnelley.

Raven Ventures LLC

Address until mid-May of 2015:

c/o R.R. Donnelley & Sons Company

111 South Wacker Drive,

Chicago, Illinois 60606

(312) 326-8000

Address after mid-May of 2015:

c/o R.R. Donnelley & Sons Company

35 West Wacker Drive,

Chicago, Illinois 60601

(312) 326-8000

Raven Ventures LLC, a Massachusetts limited liability company and a wholly owned subsidiary of R.R. Donnelley, was formed solely for the purpose of facilitating the mergers. Merger LLC has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the mergers, Courier will be merged with and into Merger LLC and Courier's separate existence will cease.

The Mergers and the Merger Agreement

The terms and conditions of the mergers are contained in the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the mergers.

Pursuant to the merger agreement, Merger Sub will merge with and into Courier. Following the merger, Courier will be the surviving corporation and a wholly owned subsidiary of R.R. Donnelley and its common stock will be delisted from NASDAQ and deregistered under the Exchange Act. Courier will then merge with and into Merger LLC. Following the subsequent merger, Courier's separate existence will cease and Merger LLC will survive as a wholly owned subsidiary of R.R. Donnelley.

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Per Share Merger Consideration (Page [])

At the effective time of the merger, each share of Courier common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive, at the election of each Courier shareholder, (i) an amount in cash equal to \$23.00, without interest, or (ii) 1.3756 shares of R.R. Donnelley common stock, subject to proration so that a total of 8,000,000 shares of R.R. Donnelley common stock will be issued in the merger.

Recommendation of the Courier Board; Courier's Reasons for the Merger (Page [])

After careful consideration of various factors described in the section entitled "The Mergers Recommendation of the Courier Board; Courier's Reasons for the Merger" beginning on page [] of this proxy statement/prospectus, at a meeting held on February 5, 2015, the Courier board (i) determined that the merger agreement and the merger are in the best interests of Courier and its shareholders, (ii) adopted, approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement, (iii) recommended that the Courier shareholders approve the merger agreement, and (iv) directed that the merger agreement be submitted for consideration by the Courier shareholders at the special meeting.

Opinion of Courier's Financial Advisor (Page [])

In connection with the merger, Blackstone Advisory Partners L.P., which we refer to as Blackstone, which is serving as financial advisor to Courier, delivered an opinion, dated February 5, 2015, to the Courier board as to the fairness, from a financial point of view and as of the date of such opinion, of the per share merger consideration to be received by Courier shareholders. The full text of Blackstone's written opinion, dated February 5, 2015, is attached to this proxy statement/prospectus as **Annex C** and sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken by Blackstone in connection with such opinion. The description of Blackstone's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Blackstone's opinion attached to this proxy statement/prospectus as **Annex C**. Blackstone's opinion was provided to the Courier board (in its capacity as such) for its information in connection with its evaluation of the per share merger consideration from a financial point of view and did not address any other aspect of the merger, including the relative merits of the merger as compared to any other business plan, opportunity or alternative transaction that might be available to Courier or the underlying decision of Courier to engage in the merger, and does not constitute a recommendation to any Courier shareholder as to how such shareholder should vote or act with respect to the merger or any other matter. See the section entitled "The Mergers Opinion of Courier's Financial Advisor" beginning on page [] of this proxy statement/prospectus.

Information About the Special Meeting (Page [])

Date, Time, Place and Purpose of the Special Meeting (Page [])

The special meeting will be held on [], [], 2015, at [] Eastern time at [], unless the special meeting is adjourned or postponed.

At the special meeting, Courier shareholders will be asked to consider and vote upon (i) a proposal to approve the merger agreement, (ii) a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger and (iii) a proposal to approve the adjournment or postponement of the special meeting if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Table of Contents***Record Date and Quorum (Page [])***

Only holders of record of shares of Courier common stock at the close of business on the record date of [], 2015, will be entitled to vote at the special meeting. Each outstanding share of Courier common stock entitles its holder to cast one vote. As of the record date, there were [] shares of Courier common stock, par value \$1 per share, outstanding and entitled to vote at the special meeting.

The presence, in person or represented by proxy, of a majority of all issued and outstanding shares of common stock entitled to vote at the special meeting will constitute a quorum at the meeting. In the absence of a quorum, the chairperson of the special meeting or the holders of Courier common stock entitled to vote at the special meeting, present in person or represented by proxy, will have the power to adjourn the special meeting. As of the record date for the special meeting, [] shares of Courier common stock will be required to achieve a quorum. Holders of shares of Courier common stock present in person at the special meeting but not voting, and shares of Courier common stock for which Courier has received proxies indicating that their holders have abstained, will be counted as present at the special meeting for purposes of determining whether a quorum is established.

Vote Required (Page [])

Approval of the merger agreement requires the affirmative vote of holders of two-thirds of the shares of Courier common stock outstanding and entitled to vote on this proposal. Accordingly, a Courier shareholder's failure to submit a proxy card or to vote in person at the special meeting, an abstention from voting, or the failure of a Courier shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement.

Approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Courier in connection with the merger will require the affirmative vote of the holders of a majority of the Courier common stock present, in person or represented by proxy, at the special meeting and entitled to vote on this proposal. An abstention from voting on this proposal will have no effect on the outcome of this proposal and shares not in attendance at the special meeting will have no effect on the outcome of this proposal.

Approving the adjournment or postponement of the special meeting (if it is necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement) requires the affirmative vote of holders of a majority of the shares of Courier common stock present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal. Accordingly, abstentions will have no effect on the outcome of an adjournment proposal and shares not in attendance at the special meeting will have no effect on the outcome of any vote to adjourn or postpone the special meeting.

Voting by Courier's Directors and Executive Officers (Page [])

As of the record date, Courier's directors and executive officers and certain of their affiliates beneficially owned [] shares of Courier common stock entitled to vote at the special meeting. This represents approximately []% in voting power of the outstanding shares of Courier common stock entitled to be cast at the special meeting. Courier directors and executive officers James F. Conway III, Paul Braverman, Kathleen Foley Curley, Edward J. Hoff, John J. Kilcullen, Peter K. Markell, Ronald L. Skates, W. Nicholas Thorndike, Susan L. Wagner, Rajeev Balakrishna and Peter M. Folger have each entered into voting agreements that obligate them to vote **FOR** the Courier proposal to approve the merger agreement. Additionally, Courier currently expects that the Courier directors and executive officers will vote their shares of Courier common stock in favor of the other proposals to be considered at the special

meeting, although none of them is obligated to do so.

Table of Contents***Proxies and Revocations (Page [])***

Any shareholder of record entitled to vote at the special meeting may submit a proxy by telephone, over the Internet, by returning the enclosed proxy card or voting instruction card in the accompanying prepaid reply envelope or may vote in person by attending the special meeting. If your shares of Courier common stock are held in street name through a bank, brokerage firm or other nominee, you should instruct your bank, brokerage firm or other nominee on how to vote your shares of Courier common stock using the instructions provided by your bank, brokerage firm or other nominee. Your failure to submit a proxy card or to vote in person at the special meeting, your abstention from voting or your failure to give voting instructions to your bank, broker or other nominee if you hold your shares in street name through a bank, broker or other nominee, will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement but will have no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Courier in connection with the merger or the proposal to approve one or more adjournments of the special meeting. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, must obtain a legal proxy from your bank, broker or other holder of record and present it to the inspectors of election with your ballot.

You have the right to revoke a proxy, whether delivered by telephone, over the Internet or by mail, at any time before it is voted at the special meeting, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to Courier prior to the time the special meeting begins. Written notice of revocation should be mailed to: Courier Corporation, Attention: Corporate Secretary and Clerk, 15 Wellman Avenue, North Chelmsford, Massachusetts 01863. If your shares are held in street name, you must contact your broker, bank or nominee to revoke and vote your proxy. If you have questions about how to vote or revoke your proxy, you should contact Courier's proxy solicitor, MacKenzie toll-free at (800) 322-2885.

Interests of Courier's Directors and Executive Officers in the Merger (Page [])

Certain of Courier's executive officers and non-employee directors have interests in the merger that are different from, or in addition to, those of the Courier shareholders generally. These interests may create potential conflicts of interest. These interests include the continued employment of certain executive officers of Courier, the treatment in the merger of options to acquire shares of Courier common stock granted under any agreement, which we refer to as Courier stock options, equity acceleration, incentive awards, executive severance plans and other rights held by Courier's directors and executive officers, and the indemnification of former Courier directors and officers by R.R. Donnelley. The Courier board was aware of and considered these interests, among other matters, in reaching its decision to approve, and declare advisable, the merger agreement, the merger and other transactions contemplated by the merger agreement and making its recommendation that the Courier shareholders vote **FOR** the proposals set forth in this joint proxy statement/prospectus. See the sections entitled Interests of Courier's Directors and Executive Officers in the Merger beginning on page [] of this proxy statement/prospectus and Proposals Submitted to Courier Shareholders Advisory Vote on Executive Compensation beginning on page [] of this proxy statement/prospectus.

Treatment of Courier Stock Options in the Merger (Page [])

At the effective time of the merger, each Courier stock option will be automatically cancelled and converted into the right to receive the per share stock option consideration (as defined in the section entitled The Merger Agreement Treatment of Courier Stock Options in the Merger beginning on page [] of this proxy statement/prospectus).

If the exercise price per share of any such Courier stock option is equal to or greater than the per share merger consideration, the Courier stock option will be cancelled without any cash payment.

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Treatment of Courier Restricted Stock in the Merger (Page [])

At the effective time of the merger, each share of Courier restricted stock that has not yet vested will be automatically cancelled and converted into the right to receive an amount in cash equal to \$23.00.

Regulatory Approvals (Page [])

The completion of the merger is subject to the receipt of antitrust clearance in the United States. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and the rules promulgated thereunder, the merger may not be completed until notification and report forms have been filed with the Federal Trade Commission, which we refer to as the FTC, and the Department of Justice, which we refer to as the DOJ, and the applicable waiting period has expired or been terminated.

On February 20, 2015, Courier and R.R. Donnelley filed with the FTC and the DOJ notification and report forms under the HSR Act with respect to the proposed mergers. On March 23, 2015, at 11:59 p.m. Eastern Daylight Time, the waiting period under the HSR Act expired.

Appraisal Rights of Courier Shareholders (Page [])

Courier shareholders are entitled to appraisal rights under Part 13 of the MBCA. This means that, if the merger is completed, you are entitled to obtain payment equal to the fair value of your shares of Courier common stock instead of the per share merger consideration. The ultimate amount you receive in an appraisal proceeding may be less than, equal to or more than the amount you would have received under the merger agreement. To exercise your appraisal rights, you must submit a written objection to the merger to Courier before the vote is taken on the merger agreement, vote **AGAINST** the proposal to approve the merger agreement, and submit a written demand for appraisal after the vote is taken on the merger agreement. Your failure to follow exactly the procedures specified under the MBCA may result in the loss of your appraisal rights. If you hold your shares of Courier common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by your bank, brokerage firm or nominee. In light of the complexity of the MBCA, shareholders who may wish to pursue appraisal rights should consult their legal and financial advisors. See the section entitled Appraisal Rights of Courier Shareholders beginning on page [] of this proxy statement/prospectus and the text of Part 13 of the MBCA reproduced in its entirety as **Annex D** to this proxy statement/prospectus.

Conditions to Completion of the Mergers (Page [])

Each party's obligation to consummate the mergers is subject to the satisfaction or waiver, to the extent applicable, of the following conditions:

the Courier shareholder approval must have been obtained;

the expiration or termination of the waiting period applicable to the merger under the HSR Act and any other applicable antitrust laws;

the absence of any law, regulation, order, judgment, injunction or other requirement that precludes, restrains, enjoins or prohibits consummation of the transactions contemplated by the merger agreement;

no governmental body or arbitrator shall have enacted, adopted or promulgated an order, injunction, judgment, decree, ruling or other similar requirement that precludes, restrains, enjoins or prohibits the consummation of the mergers;

the declaration by the SEC of the effectiveness of the registration statement on Form S-4 filed by R.R. Donnelley in respect of the shares of R.R. Donnelley common stock to be issued in the merger, of which this proxy statement/prospectus forms a part; and

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the approval of the listing on NASDAQ of the shares of R.R. Donnelley common stock to be issued in the merger.

R.R. Donnelley, Merger Sub and Merger LLC will not be obligated to effect the mergers unless the following additional conditions are satisfied or waived:

the accuracy of the representations and warranties of Courier to the extent required under the merger agreement as described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page [] of this proxy statement/prospectus;

the performance, in all material respects, by Courier of its obligations under the merger agreement required to be performed at or prior to the closing date of the merger;

the absence of a material adverse effect with respect to Courier since February 5, 2015; and

the delivery to R.R. Donnelley of a certificate signed by the chief executive officer of Courier certifying that the above conditions with respect to the accuracy of representations and warranties of Courier, performance of the obligations of Courier and absence of a material adverse effect with respect to Courier have been satisfied.

Courier will not be obligated to effect the merger unless the following additional conditions are satisfied or waived:

the accuracy of the representations and warranties of R.R. Donnelley, Merger Sub and Merger LLC to the extent required under the merger agreement as described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page [] of this proxy statement/prospectus;

the performance, in all material respects, by R.R. Donnelley, Merger Sub and Merger LLC of their respective obligations under the merger agreement required to be performed at or prior to the closing date of the merger;

the absence of a material adverse effect with respect to R.R. Donnelley since February 5, 2015; and

the delivery to Courier of a certificate signed by the chief executive officer of R.R. Donnelley certifying that the above conditions with respect to the accuracy of representations and warranties and performance of the obligations of R.R. Donnelley, Merger Sub and Merger LLC have been satisfied.

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page [] of this proxy statement/prospectus.

No Solicitation or Negotiation of Acquisition Proposals (Page [])

Under the terms of the merger agreement, Courier has agreed not to, nor publicly propose to, directly or indirectly:

solicit, initiate, make, knowingly facilitate or knowingly encourage any inquiries, proposals or offers that constitute, or would reasonably be expected to lead to, any acquisition proposal (as defined in the section entitled "The Merger Agreement - Acquisition Proposals" beginning on page [] of this proxy statement/prospectus);

engage in, continue or otherwise participate in any discussions or negotiations regarding, furnish any information or afford access to the business, properties, assets or personnel of Courier or its subsidiaries with respect to, or otherwise cooperate in any way with any third party relating to, in connection with or for the purpose of encouraging or facilitating any acquisition proposal; or

enter into any letter of intent, agreement or other commitment with respect to an acquisition proposal.

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Notwithstanding these restrictions, prior to the approval of the merger agreement by Courier shareholders, Courier may:

furnish information and data with respect to Courier and its subsidiaries and afford access to the business, properties, assets and personnel of Courier in response to a request therefor by a third party who has made an unsolicited bona fide written acquisition proposal, if Courier furnishes such information and data pursuant to an acceptable confidentiality agreement and provides to R.R. Donnelley any such information or access (to the extent not previously provided to R.R. Donnelley); or

enter into, maintain and participate in discussions or negotiations with such third party who has made an unsolicited bona fide written acquisition proposal or otherwise cooperate with or assist with or participate in, or facilitate, any such discussions or negotiations.

In each case if the Courier board reasonably determines in good faith after consultation with its financial advisor and outside legal counsel that:

such acquisition proposal either constitutes a superior proposal (as defined in the section entitled "The Merger Agreement Acquisition Proposals" beginning on page [] of this proxy statement/prospectus) or is reasonably likely to result in a superior proposal; and

failure to take such action would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable law.

Courier agreed in the merger agreement to, and to cause its subsidiaries and their respective officers, directors, employees, attorneys, accountants, investment bankers, consultants, agents, advisors and other representatives to, immediately cease and terminate any existing solicitation, negotiation or communication with any third parties with respect to an acquisition proposal and use commercially reasonable efforts to cause any such third party in possession of confidential information to return or destroy such information.

Adverse Change Recommendation (Page [])

Prior to the approval of the proposal to approve the merger agreement by Courier shareholders, the Courier board may effect an adverse change recommendation (as defined in the section entitled "The Merger Agreement Acquisition Proposals Adverse Change Recommendation" beginning on page [] of this proxy statement/prospectus), if the Courier board determines in good faith, after consultation with its financial advisor and outside legal counsel, that failure to take such action would reasonably likely violate the directors' fiduciary duties under applicable law, and

if the adverse change recommendation is made in the absence of a superior proposal, a material fact, event, change, development or circumstances not known, or not reasonably capable of being known, by the Courier board as of the date of the merger agreement has become known to it prior to the special meeting and Courier provides at least three business days' notice to R.R. Donnelley of the Courier board's intention to take such action and the basis therefor; or

if the adverse change recommendation is made with respect to a superior proposal, Courier notifies R.R. Donnelley that it intends to take such action, providing the most current version of any agreement with respect to a superior proposal, if any, and the material terms and conditions of the superior proposal, and, at the end of the notice period (as defined in the section entitled "The Merger Agreement - Acquisition Proposals - Adverse Change Recommendation" beginning on page [] of this proxy statement/prospectus), the Courier board determines in good faith after consultation with its financial advisor and outside legal counsel, after taking into account the results of negotiations with R.R. Donnelley during the notice period, that such superior proposal remains a superior proposal.

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Prior to effecting any adverse change recommendation, Courier will be required to negotiate with R.R. Donnelley in good faith during the notice period with respect to any modifications to the terms of the merger agreement and the transactions contemplated by the merger agreement that would obviate the need to make an adverse change recommendation.

Termination (Page [])

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the shareholder approval is obtained:

by mutual written consent of Courier and R.R. Donnelley;

by either R.R. Donnelley or Courier if:

a law has been enacted or a governmental body has issued an order, injunction, judgment, decree or ruling permanently restraining, enjoining or otherwise prohibiting the merger or any of the other transactions contemplated by the merger agreement;

an end date termination event occurs (as defined in the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" beginning on page [] of this proxy statement/prospectus); or

a shareholder approval termination event occurs (as defined in the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" beginning on page [] of this proxy statement/prospectus); or

by Courier if:

it enters into an agreement with respect to a superior proposal after having complied in all material respects with the applicable provisions described under the section entitled "The Merger Agreement Acquisition Proposals" beginning on page [] of this proxy statement/prospectus and simultaneously with such termination, Courier pays R.R. Donnelley the termination fee (as described below); or

an R.R. Donnelley breach termination event occurs (as defined in the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" beginning on page [] of this proxy statement/prospectus); or

by R.R. Donnelley if:

a Courier breach termination event occurs (as defined in the section entitled "The Merger Agreement - Termination of the Merger Agreement - Termination" beginning on page [] of this proxy statement/prospectus); or

an adverse change recommendation termination event occurs (as defined in the section entitled "The Merger Agreement - Termination of the Merger Agreement - Termination" beginning on page [] of this proxy statement/prospectus).

Termination Fee (Page [])

Courier will pay R.R. Donnelley the amount of \$7.5 million in cash, which we refer to as the termination fee, if:

R.R. Donnelley terminates the merger agreement pursuant to an adverse change recommendation termination event or a Courier breach termination event;

Courier terminates the merger agreement to enter into an agreement with respect to a superior proposal; or

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each of the following occurs:

either R.R. Donnelley or Courier terminates the merger agreement pursuant to a shareholder approval termination event or R.R. Donnelley terminates the merger agreement pursuant to a Courier breach termination event;

an acquisition proposal is made, commenced or submitted, or any person has publicly announced an intention to make, commence or submit an acquisition proposal; and

within 12 months of any such termination, Courier or any of its subsidiaries enters into a definitive agreement with respect to an acquisition proposal (substituting 50% for 20% in the definition of acquisition proposal).

R.R. Donnelley will pay Courier the amount of \$12 million in cash, which we refer to as the reverse termination fee, if:

either R.R. Donnelley or Courier terminates the merger agreement as a result of any final, nonappealable order or injunction with respect to the HSR Act or other antitrust laws;

either R.R. Donnelley or Courier terminates the merger agreement pursuant to an end date termination event and, at the time of termination, any of the conditions relating to the HSR Act or other antitrust laws were not satisfied; or

Courier terminates the agreement pursuant to an R.R. Donnelley termination event due to R.R. Donnelley's failure to take a divestiture action required by any applicable antitrust authority, subject to the terms of the merger agreement.

Litigation Relating to the Quad/Graphics, Inc. Merger Agreement (Page [])

On or about January 22, 2015, a purported shareholder of Courier, Jack Wilkinson, filed a putative class action lawsuit in the Superior Court of Massachusetts for Suffolk County against Courier, the Courier board, Quad/Graphics, Inc., which we refer to as Quad, and certain merger subsidiaries of Quad, captioned Wilkinson v. Courier Corporation, et al. The case was accepted into the Business Litigation Session of Suffolk Superior Court. The lawsuit alleges that the Courier board breached their fiduciary duties to Courier's shareholders, and that Courier and the Quad defendants aided and abetted those breaches, by agreeing to inadequate consideration and by agreeing to unreasonable deal protection devices in connection with the sale of Courier to Quad. The lawsuit seeks, among other things, equitable relief enjoining the Courier/Quad transaction. As of the date of this disclosure, none of the defendants have been served with the complaint.

The Voting Agreements (Page [])

On February 5, 2015, R.R. Donnelley and each of Courier's directors and executive officers entered into voting agreements. As of the record date, Courier's directors and executive officers owned in the aggregate [] shares of

Courier common stock, comprising [] shares of Courier common stock and [] shares subject to Courier stock options (of which [] are vested and exercisable), representing approximately []% of the shares of Courier common stock outstanding as of the close of business on the record date. Each of Courier's directors and executive officers has agreed to vote his or her shares of Courier common stock in favor of the merger and any other matter that must be approved by Courier shareholders in order to facilitate the merger, and to vote against, among other things, any proposal opposing or competing with the merger. Each voting agreement will terminate on the earliest to occur of the effective time of the merger, the termination of the merger agreement, and any material amendment to the merger agreement made without the written consent of such Courier director or executive officer to decrease the amount of the per share merger consideration or change the mix of cash and stock that constitutes the per share merger consideration. Notwithstanding the foregoing, each Courier director and executive officer has entered into a voting agreement solely in his or her capacity as a shareholder and not in

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his or her capacity as a director or executive officer of Courier or any of its subsidiaries. Accordingly, the voting agreements do not restrict or limit any of Courier's directors or executive officers from taking or omitting to take any action in his or her capacity as a director or executive officer of Courier in order to fulfill his or her fiduciary obligations under applicable law or acting in such capacity or voting in such capacity in the good faith exercise of his or her fiduciary duties under applicable law. A copy of the form of voting agreement is attached to this proxy statement as **Annex B**.

Accounting Treatment (Page [])

R.R. Donnelley prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which we refer to as GAAP. The merger will be accounted for using the acquisition method of accounting. R.R. Donnelley will be treated as the acquiror for accounting purposes.

Material United States Federal Income Tax Consequences (Page [])

It is the intention of R.R. Donnelley and Courier that the mergers, taken together, will constitute a reorganization within the meaning of Section 368(a) of the Code. Assuming that such treatment is proper, a holder of Courier common stock generally will not recognize any gain or loss upon receipt of R.R. Donnelley common stock in exchange for Courier common stock in the merger, but may recognize gain with respect to the cash consideration and cash received in lieu of a fractional share of R.R. Donnelley common stock.

Tax matters are complicated, and the tax consequences of the merger to each holder of Courier common stock will depend on such shareholder's particular facts and circumstances.

Courier shareholders should consult their tax advisors with respect to the federal, state, local, foreign and other tax consequences to them of the mergers.

Comparison of Shareholders' Rights (Page [])

The rights of Courier shareholders are governed by its articles of organization, as amended, and amended and restated by-laws, as amended, and Massachusetts corporate law. Your rights as a shareholder of R.R. Donnelley will be governed by R.R. Donnelley's restated certificate of incorporation, as corrected, and amended and restated by-laws, as amended, and Delaware corporate law. Your rights under R.R. Donnelley's restated certificate of incorporation, as corrected, and amended and restated by-laws, as amended, and under Delaware corporate law will differ in some respects from your rights under Courier's restated articles of incorporation, as amended, and amended and restated by-laws, as amended, and Massachusetts corporate law. For more detailed information regarding a comparison of your rights as a shareholder of Courier and R.R. Donnelley, see the section entitled "Comparison of Shareholders' Rights" beginning on page [] of this proxy statement/prospectus.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF COURIER

The following table presents selected historical consolidated financial data for Courier as of and for the fiscal years ended September 27, 2014, September 28, 2013, September 29, 2012, September 24, 2011 and September 25, 2010 and as of and for the three months ended December 27, 2014 and December 28, 2013. The financial data as of September 27, 2014 and September 28, 2013 and for the fiscal years ended September 27, 2014, September 28, 2013 and, September 29, 2012 have been derived from Courier's audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended September 27, 2014, which is incorporated by reference into this proxy statement/prospectus. Courier's fiscal year ends on the last Saturday of September. Fiscal years 2014, 2013, 2011 and 2010 were 52-week periods compared with fiscal year 2012, which was a 53-week period.

The financial data as of September 29, 2012, September 24, 2011 and September 25, 2010 and for the fiscal years ended September 24, 2011 and September 25, 2010 have been derived from Courier's audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal years ended September 29, 2012 and September 24, 2011. Courier sold one of its subsidiaries in September 2014 which was classified as a discontinued operation and as such restated its consolidated statements of operations for fiscal years 2011 and 2010 to conform to the presentation of results from continuing operations for fiscal years 2014, 2013 and 2012.

The financial data as of December 27, 2014 and for the three months ended December 27, 2014 and December 28, 2013 have been derived from Courier's unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the three months ended December 27, 2014, which is incorporated by reference into this proxy statement/prospectus. The financial data as of December 28, 2013 has been derived from Courier's unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the three months ended December 28, 2013.

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The information set forth below is not necessarily indicative of an asset purchase agreement to acquire FiberXpress, Inc., a company that sells specialist data network related products through its Internet web site. The transaction closed on September 15, 2009 with an exchange of stock and the hiring of William Paul Price. The acquisition has not been material to our financial statements. The FiberXpress acquisition has not resulted in meaningful sales, and we are looking for suitable options.

Visisys Ltd.

Our partnership with Visisys, Ltd. has been terminated. There were no sales in either 2011 or 2010 from this partnership, but the termination of the partnership did not impact our balance sheet materially. We believe that Visisys, Ltd. has gone out of business.

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TRAINING AND SERVICE PROGRAMS

We offer support services for our products which include:

• On site consulting/planning with customer architect and engineers,

• Installation and technical support,

• Training and "Train the Trainer" programs, and

• Extended service agreements.

OUR MARKET

Our family of products offers government and law enforcement agencies, commercial security professionals, private businesses and residential consumers an enhanced surveillance and detection capacity. Management has chosen to avoid the air passenger traffic and civilian airport market for metal detection because we believe that a larger market exists in venues such as sporting events, concerts, race tracks, schools, courthouses, municipal buildings, and law enforcement agencies.

Our ViewScan products and technology can be used where there is a temporary requirement for real-time weapons detection devices in areas where a permanent installation is cost prohibitive or impractical. For example, our ViewScan portal could be set up for special events, concerts, and conventions. Our systems may reduce the need for a large guard force and can provide improved pedestrian traffic flow into an event because individuals can be scanned quickly and false alarms are reduced.

A primary market for our ViewScan portal is federal and state government courthouses, county and municipal buildings, and correctional facilities. We have installed our ViewScan weapons detection products in a variety of court house situations.

The MMV product's market includes National Guard units and first response agencies such as fire, police, SWAT, and homeland security response teams.

The MINI is an easy to use, simple and convenient personal security monitoring device that can be purchased by individuals through an independent website, potentially through retail electronics stores, or through commercial installers of self-contained or centrally monitored security systems. However, at this time we do not have retail agreements in place. Using our technology, individuals could run their own perimeter and interior surveillance systems from their own home computer. Real-time action at home can be monitored remotely through a modem and the Internet. There is also the capability to make real-time monitors wireless. An additional advantage of our technology is that it allows for the storage of information on the home computer and does not require a VCR. This capability may reduce the expense and time of the home installation and may make installation affordable for a majority of homeowners. We are marketing the MINI to large potential users, such as real property managers, as well as retail customers through the www.minicamsim.com website. We have had non-material amounts of revenue from MINI sales thus far, which we attribute to a lack of advertising funds and market awareness.

In March, 2011, we exited the fiber optic installation network and terminated our Network Services Division.

MANUFACTURING

We manufacture the ViewScan portal and the ViewMaxx internally at our facilities in Baltimore, Maryland. Our third party manufacturers create several of the hardware components in our systems and we assemble our systems by combining other commercially available hardware and software together with our proprietary software. We hold licenses for software components that are integrated into our proprietary software and installed in our systems. We believe that we can continue to obtain components for our systems at reasonable prices from a variety of sources. Although we have developed certain proprietary hardware components for use in our products and purchased some components from single source suppliers, we believe similar components can be obtained from alternative suppliers without significant delay.

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SALES AND DISTRIBUTION

We are constantly seeking to extend our United States domestic network of manufacturing representatives and dealers for the sale and distribution of our products. We are looking for security consultants, specifiers and distributors of security and surveillance equipment that sell directly to schools, courthouses, and government and commercial buildings.

We use mailings and telephone calls to contact potential representatives in a geographical area with the intent to arrange a demonstration of our products to these persons. We attend region specific trade shows such as sheriff's conventions, court administrators meetings, civil support team, and state police shows. Then we demonstrate or give trial offers in the area until a sale is completed. Once we have completed a sale in a specific market area, then we expand that market by contacting correctional facilities, courthouses and other municipal buildings. We ship our products to the customer and each product has an unconditional 30 day warranty, during which time the product can be returned for a complete refund.

We have ongoing reseller arrangements with small and medium-sized domestic and international resellers. Our reseller agreements grant a non-exclusive right to the reseller to purchase our products at a discount from the list price and then sell them to others. These agreements are generally for a term of one year and automatically renew for successive one-year terms unless terminated by notice or in the event of breach.

In 2010 we also have experienced international interest from security related resellers and system integrators. Previously, we had chosen not to pursue international markets, but we secured sales in Bangladesh.

Marketing of the MINI can be viral through use of Internet search engine optimization. During 2011 we did not have the financial resources to market the MINI.

MAJOR CUSTOMERS

On October 9, 2012, we were selected for installation of its enhanced and new ViewScan VS-1000 weapons detection and access control product for installation in seventeen Detroit Public Schools. The ViewScan VS-1000 was introduced at the annual ASIS Security Conference and Exposition in Philadelphia in 2011 and has been chosen by

multiple companies to be used for access control. The first installations were made in the Detroit Public Schools in September 2011. To date, we have installed out ViewScan systems in the Bayview Electric ESS School, Wiltec Electronic Security Group, Fox Command Center, Detroit Police Department, Harper Woods School, Blueline and have rented equipment to Pinkerton and Harper Woods School. The improved WiewScan VS-1000 system senses the smallest reading without being affected by environmental disturbances and structural elements such as reinforced concrete and metal door frames. Unlike ordinary metal detectors, the ViewScan VS-1000 system can be placed directly next to each other and still function correctly. The ViewScan VS-1000 system was also used at the National Democratic Convention.

During 2011, we had 21 ViewScan systems ordered by correctional facilities and 60 units ordered by domestic schools and police departments. We also received purchase orders for a total of 12 ViewScan units from a customer in Bangladesh.

COMPETITION

The markets for our products are extremely competitive. Competitors include a broad range of companies that develop and market products for the identification and video surveillance markets. In the weapons detection market, we compete with Ranger Security Scanners, Inc. and Garrett Electronics, Inc. in the United States, and an Italian company, CEIA SpA, which has the most sophisticated electromagnetic induction product. In the video surveillance market we compete with numerous VCR suppliers and digital recording suppliers, including, Sensormatic Corporation, NICE Systems, Ltd., and Integral Systems.

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TRADEMARK, LICENSES AND INTELLECTUAL PROPERTY

Certain features of our products and documentation are proprietary, and we rely on a combination of patent, contract, copyright, trademark and trade secret laws and other measures to protect our proprietary information. We limit access to, and distribution of, our software, documentation and other proprietary information. As part of our confidentiality procedures, we generally enter into confidentiality and invention assignment agreements with our employees and mutual non-disclosure agreements with our manufacturing representatives, dealers and systems integrators. Notwithstanding such actions, a court considering these provisions may determine not to enforce such provisions or only partially enforce such provisions.

The ViewScan concealed weapons detection technology involves sensing technology and data acquisition/analysis software subsystems that have patents pending or issued to the U.S. Department of Energy. We have not renewed our license, with the INEL to commercialize, manufacture and market the concealed weapons detection technology. View Systems has not filed for patents and has found that the expense and difficulty of patenting this product would be financially prohibitive.

Governmental ownership of the patents is advantageous to us; however, the costs have outweighed the benefits. We have not received improvements, the promised funding or support from our government licensors. We have, however, paid money and spent time to advance the technologies. We have obtained software licensing agreements for software operating systems components, fingerprint identification capabilities to possibly integrate into our proprietary software, and commercially available operating systems software to integrate into our proprietary product software.

Because the software and firmware (software imbedded in hardware) are in a state of continuous development, we have not filed applications to register the copyrights for these items. However, under law, copyright vests upon creation of our software and firmware. Registration is not a prerequisite for the acquisition of copyright rights. We take steps to insure that notices are placed on these items to indicate that they are copyright protected. The copyright protection for our software extends for the 20-year statutory period from the date of first "publication," distribution of copies to the general public, or from the date of creation, whichever occurs first.

We provide software to end-users under non-exclusive "shrink-wrap" licenses, which are automatic licenses executed once the package is opened. This type of license has a perpetual term and is generally nontransferable. Although we do not generally make source code available to end-users, we may, from time to time, enter into source code escrow agreements with certain customers. We have also obtained licenses for certain software from third parties for incorporation into our products.

RESEARCH AND DEVELOPMENT

We outsource improvements or changes when requested by customers and warranted financially. For the years ended December 31, 2013 and December 31, 2012, we have spent approximately \$21,977 and \$10,000, respectively, on research and development.

REGULATORY ENVIRONMENT

We are not subject to government approval or regulation in the manufacture of our products or the components in our products. However, our products are subject to certain government restrictions on sales to "unfriendly" countries and countries designated as adversarial, which may limit our sales to the international market. In addition, our resellers and end users may be subject to numerous regulations that stem from surveillance activities. We also benefit from the recent "made in America" trade laws where non-United States manufactures must secure waivers in order to sell security and surveillance products to United States domestic end-users.

Security and surveillance systems, including cameras, raise privacy issues and our products involve both video and audio, and added features for facial identification. The regulations regarding the recording and storage of this data are uncertain and evolving. For example, under the Federal wiretapping statute, the audio portion of our surveillance systems may not record a person's conversation without his or her consent. Further, there are state and federal laws associated with recording video in non-public places.

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Cost and effect of compliance with environmental laws

The Company has not determined any recognizable cost related to compliance with environmental laws.

EMPLOYEES

As of the date of this Prospectus, we employ approximately five persons, including one sales executive and three office personnel, which includes one customer service engineer. Two persons are part-time and we also contract with five independent contractors who devote a majority of their work to a variety of our projects. Our employees are not presently covered by any collective bargaining agreement. Our relations with our employees are good, and we have not experienced any work stoppages by our employees.

DESCRIPTION OF PROPERTY

We lease 3,600 sq. ft. of office and warehouse space at 1550 Caton Center Drive, Suites D and E, Baltimore, Maryland, under a three-year non-cancellable operating lease, which expires December 2014. This location serves as both our principal executive office and the manufacturing and assembly location for our proprietary products.

The original base rent had been \$3,077 per month with an annual rent escalator of 3%. The current monthly rent is \$3,464. Rent expense, which includes the Caton Center property as well as some other short-term leases, was \$44,652 and \$45,941 for the period ended December 31, 2013 and 2012, respectively.

LEGAL PROCEEDINGS

As of the date of this Prospectus, management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this Prospectus, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET INFORMATION

Our common stock has been quoted on the OTC Bulletin Board under the symbol "VYST.OB" up to October 2008 and from October 17, 2008 under the symbol "VSYM.OB" and is traded over the counter. The following table sets forth the high and low price information of the Company's common stock for the periods indicated.

OTC Bulletin Board (1) (2)

FISCAL YEAR ENDED DECEMBER 31, 2012:	High	Low
Fourth Quarter	\$0.04	\$0.00
Third Quarter	\$0.043	\$0.00
Second Quarter	\$0.043	\$0.00
First Quarter	\$0.03	\$0.00

FISCAL YEAR ENDED DECEMBER 31, 2013:		
Fourth Quarter	\$0.301	0.0001
Third Quarter	\$0.035	\$0.0378
Second Quarter	\$0.04	\$0.037
First Quarter	\$0.025	\$0.019

(1) Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

(2) Source: www.nasdaq.com

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SHAREHOLDERS OF RECORD

As of April 28, 2014, there were approximately 402 holders of record of our common stock, not including holders who hold their shares in street name.

DIVIDENDS

We have never declared or paid a cash dividend. At this time, we do not anticipate paying dividends in the future. We are under no legal or contractual obligation to declare or to pay dividends, and the timing and amount of any future cash dividends and distributions is at the discretion of our Board of Directors and will depend, among other things, on our future after-tax earnings, operations, capital requirements, borrowing capacity, financial condition and general business conditions. We plan to retain any earnings for use in the operation of our business and to fund future growth. You should not purchase our Shares on the expectation of future dividends.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**Equity Compensation Plan Information**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	50,000,000(1)	—	36,340,900(2)
Equity compensation plans not approved by security holders	—	—	—
Total	50,000,000	—	36,340,900

(1) Represents shares reserved for the Company's 2010 Equity Incentive Plan.

(2) Represents shares reserved for the Company's 2010 Service Provider Stock Compensation Plan.

2010 EQUITY INCENTIVE PLAN

The 2010 Equity Incentive Plan ("EIP") is intended to attract, motivate, and retain employees of the Company, consultants who provide significant services to the Company, and members of the Board of Directors of the Company who are not employees of the Company. The EIP is designed to further the growth and financial success of the Company by aligning the interests of the participants, through the ownership of stock and through other incentives, with the interests of the Company's stockholders.

Benefits under the 2010 EIP. As defined under the 2010 EIP, the Board may grant any one or a combination of Incentive Stock Options (within meaning of the Code), Non-Qualified Stock Options, Restricted Stock, as well as Performance Awards (collectively, "Awards").

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Administration of the 2010 Equity Incentive Plan. The EIP will be administered by the Board of Directors. If it chooses, the Board may delegate its authority to a Compensation Committee to be appointed by the Board (the “Committee”), which Committee may be comprised of two or more “outside directors” as described in Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). Subject to certain limitations in the 2010 EIP, the Board establishes the terms and conditions of awards granted under the 2010 EIP, interprets the 2010 EIP and all awards under the 2010 EIP, and administers the 2010 EIP.

Eligible Participants under the 2010 EIP. Except for Incentive Stock Options which may only be granted to Employees of the Company, Awards under the 2010 EIP may be granted to Employees, Directors, and Consultants of the Company (as such terms are defined in the 2010 EIP) who are designated by the Board. No employee may receive Awards under this 2010 EIP in any given year which, singly or in the aggregate, cover more than 150,000 shares of the Company’s Common Stock.

Shares Available under the 2010 EIP. The aggregate number of shares of Common Stock that may be issued or transferred to grantees under the 2010 EIP shall not exceed 50,000,000 shares. If there is a stock split, stock dividend or other relevant change affecting the Company’s shares, appropriate adjustments will be made in the number of shares that may be issued or transferred in the future and in the number of shares and price of all outstanding Awards made before such event. If shares under an Award are not issued or transferred, those shares would again be available for inclusion in future Award grants.

Awards Under the 2010 EIP

Stock Options. The Board may grant options qualifying as incentive stock options under the Code and nonqualified stock options. The term of an option shall be fixed by the Board, but shall not exceed ten years. In the case of death of the holder of the option or upon the termination, removal or resignation of the option holder for any reason other than for cause within one year of the occurrence of a Change of Control (as that term is defined in the 2010 EIP), an option may be extended for up to 12 months depending on the circumstances. The option price shall not be less than the fair market value of the Common Stock on the date of grant. In the case of an award of Incentive Options to an employee possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent corporation or subsidiary corporation as those terms are defined in the Code, the option price shall not be less than 110% of the fair market value of the Common Stock on the date of grant and the option term shall not exceed five years from date of grant. Payment of the option price may be by cash or, with the consent of the Board, by tender of shares of Common Stock having an equivalent fair market value or delivery of shares of Common Stock for which the option is being exercised to a broker for sale on behalf of the option holder. With respect to Incentive Options, the aggregate fair market value of shares of Common Stock for which one or more options granted may for the first time become exercisable during any calendar year shall not exceed \$100,000.

Restricted Stock. The Board may also award shares of Restricted Stock. The shares will be issued as restricted stock within the meaning of Rule 144 of the Securities Act of 1933, as amended. Such grant would set forth the terms and

conditions of the award, including the imposition of a vesting schedule during which the grantee must remain in the employ of the Company in order to retain the shares under grant. If the grantee's employment terminates during the period, the grant would terminate and the grantee would be required to return any unvested shares to the Company. However, the Board may provide complete or partial exceptions to this requirement as it deems equitable. Unless an Award specifically provides otherwise, any shares not otherwise vested shall vest upon the death, disability, termination, removal or resignation of the grantee for any reason other than for cause within one year of the occurrence of a Change of Control (as that term is defined in the 2010 EIP). The grantee cannot dispose of the shares prior to the expiration of forfeiture restrictions set forth in the grant. During this period, however, the grantee would be entitled to vote the shares and, at the discretion of the Board, receive dividends. Each certificate would bear a legend giving notice of the restrictions in the grant.

Performance Awards. The Board may grant Performance Units or Performance Shares in consideration of services performed or to be performed, under which payment may be made in shares of the Common Stock, a combination of shares and cash, or cash if the performance of the Company or any subsidiary or affiliate of the Company selected by the Board meets certain goals established by the Board during an award period. The Board would determine the goals, the length of an award period and the minimum performance required before a payment would be made. In order to receive payment, a grantee must remain in the employ of the Company until the completion of, and settlement under, the award period, except that the Board may provide complete or partial exceptions to that requirement as it deems equitable.

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Other Stock or Performance-Based Awards. The Board also may grant shares of common stock or performance based Awards on the terms and conditions it determines in its discretion, as well as other rights not an Award otherwise described in the 2010 EIP but is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of common stock or cash as are deemed by the Board to be consistent with the purposes of the 2010 EIP. Such other stock or performance-based Awards may be in addition to, or in lieu of, cash or other compensation due the grantee.

Other Information about the 2010 EIP

The 2010 EIP will terminate in 2020 unless terminated earlier by our Board or extended by our Board with the approval of the stockholders.

Our Board may amend, suspend or terminate the 2010 EIP at any time, but such amendment, suspension or termination shall not adversely affect any Award then outstanding without the participant's consent. Any amendment that would constitute a "material amendment" of the 2010 EIP (as determined by the Board, in its sole discretion, subject to the rules and regulations of the OTCBB, if any, governing the use of such term in the context of an employee benefit plan), as amended, shall be subject to stockholder approval. Likewise, if the Exchange Act requires the Company to obtain stockholder approval, then such approval will be sought.

Unless approved by stockholders or as specifically otherwise required by the 2010 EIP (for example, in the case of a stock split), no adjustments or reduction of the exercise price of any outstanding incentive may be made in the event of a decline in stock price, either by reducing the exercise price of outstanding incentives or by canceling outstanding incentives in connection with re-granting incentives at a lower price to the same individual.

Awards may be exercised only by the Employee, Director, or Consultant to whom they are granted and are generally not assignable or transferable except for limited circumstances upon a grantee's death, or pursuant to rules that may be adopted by the Board. The Board may establish rules and procedures to permit a grantee to defer recognition of income or gain for incentives under the 2010 EIP.

It is anticipated that all members of the Board of Directors will participate in the 2010 EIP. Although the 2010 EIP has been approved, the Board of Directors has not contracted with the Company to implement the 2010 EIP into effect.

Amendments, Termination, Alteration or Suspension of the plan will impair the rights of any participant, only if mutually agreed to, in writing and signed by the participant and the Company.

General Information about the 2010 Service Provider Stock Compensation Plan

The Company's 2010 Service Provider Stock Compensation Plan ("SCP") is intended to promote the interests of the Company and its subsidiaries by offering those officers, directors, employees and consultants or advisors of the Company or any subsidiary who assist in the development and success of the business of the Company or any subsidiary, the opportunity to be compensated for their services in the form of Company stock in lieu of payment in cash.

Benefits of the 2010 SCP. The 2010 SCP is registered with the SEC pursuant to the Securities Act. Therefore, all eligible recipients accepting awards of stock for services under the SCP will receive registered stock. Payment for services in the form of registered stock is beneficial to the Company because it enables the Company to preserve its cash while enabling it the possibility of receiving valuable services from service providers. Not all service providers are expected to accept payment in Company stock. Those service providers that accept payment for services in Company Common Stock may liquidate the stock at any time at market price provided there is sufficient volume in the stock at time of sale. Usual investment risks in our Common Stock would apply to the stock issued pursuant to the SCP.

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Administration of the 2010 SCP. The 2010 SCP initially will be administered by the Board of Directors. If it chooses, the Board may delegate its authority to a Board-appointed committee comprised of two or more “outside directors” as described in Section 162(m) of the Internal Revenue Code of 1986, as amended, for general administration of the SCP. The Board may also delegate its authority to a committee comprised of inside directors to administrate the SCP for non-executive officers and other service providers. The Board or the respective committees establish the terms and conditions of awards granted under the 2010 SCP, interpret the 2010 SCP and all awards under the 2010 SCP, and administer the 2010 SCP.

Eligible Participants under the 2010 SCP. Awards under the 2010 SCP may be granted to employees, officers, or directors of the Company or its affiliates, and/or to consultants or advisers currently providing bona fide services to the Company or its affiliates (“Service Providers”). Awards may be made under the SCP only if, at the time of grant, a Form S-8 Registration Statement under the Securities Act (“Form S-8”) is available to register either the offer or the sale of the Company’s securities to such Service Provider because the nature of the services that the Service Provider is providing to the Company is consistent with the instructions governing the use of Form S-8, including the SEC interpretive Releases pertaining to Form S-8, then in effect. No Award under the Plan may be made for services provided in connection with the offer or sale of securities in a capital-raising transaction or for services that directly or indirectly promote or maintain a market for the Company’s securities.

Shares Available under the 2010 SCP. The aggregate number of shares of Common Stock that may be issued or transferred to grantees under the 2010 SCP shall not exceed 50,000,000 shares. The number of shares of Stock reserved for the SCP shall be adjusted proportionally to reflect, subject to any required action by stockholders, any stock dividend or split, recapitalization, merger, consolidation, spin-off, reorganization, combination or exchange of shares or other similar corporate change. Available shares under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for Awards under the SCP and will not reduce the number of shares available under the SCP, subject to applicable stock exchange requirements. The conversion of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. If shares covered by an Award are forfeited or expire, or terminates without delivery of any stock subject thereto, those shares would again be available for inclusion in future Award grants.

Other Information about the 2010 SCP The 2010 SCP will terminate automatically in 2020 unless terminated earlier by our Board or extended by our Board with the approval of the stockholders.

Our Board may amend, suspend or terminate the 2010 SCP at any time as to any shares of Common Stock as to which awards have not been made. An amendment shall be contingent on approval of the Company’s stockholders to the extent stated by the Board, required by applicable law or required by applicable stock exchange requirements.

Grant of Options under the 2010 SCP. During fiscal year ended December 31, 2013, we granted an aggregate of 10,000,000 stock options to one of our directors. The stock options are exercisable into shares of common stock at \$0.03 per share for a period of ten years. As of the date of this Prospectus, none of the stock options have been

exercise.

INFORMATION RELATING TO OUTSTANDING SHARES

As of May 21, 2014, there were 248,030,860 shares of our common stock issued and outstanding and 2,989,647 shares of our preferred stock issued and outstanding. Except for 50,000,000 shares reserved under our 2010 Equity Incentive Plan, we have not reserved any other shares for issuance upon exercise of common stock purchase warrants or stock options.

All of our issued and outstanding common shares (of which 47,385,757 shares are owned by officers, directors and principal stock holders) were issued in a registered transaction or otherwise have been held a period in excess of six months and are eligible to be resold pursuant to Rule 144 promulgated under the Securities Act.

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The resale of our shares of common stock owned by officers, directors and affiliates is subject to the volume limitations of Rule 144. In general, Rule 144 permits our affiliate shareholders who have beneficially-owned restricted shares of common stock for at least six months to sell without registration, within a three-month period, a number of shares not exceeding one percent of the then outstanding shares of common stock. Furthermore, if such shares are held for at least six months by a person not affiliated with us (in general, a person who is not one of our executive officers, directors or principal shareholders during the three month period prior to resale), such restricted shares can be sold without any volume limitation, provided all of the other requirements for resale under Rule 144 are applicable.

USE OF PROCEEDS FROM REGISTERED SECURITIES

On October 7, 2010, we filed a registration statement with the U.S. Securities & Exchange Commission (“SEC”) on Form S-1 to register 50,000,000 shares of our common stock with the hope of raising up to \$1 million in proceeds. The SEC file number of the registration statement is 333-169804. The Form S-1 was declared effective by the SEC on March 25, 2011. The stated primary purposes of the offering are to obtain additional capital to: (1) facilitate product fulfillment (manufacturing, packaging and shipment), which we anticipate will enable future orders to be self funding; (2) provide working capital to finance corporate acquisitions and the integration of new technologies; and (3) retire debt through cash payment or the exchange of debt obligations with payment in registered Common Stock. The offering price for the Company’s shares registered in the offering is \$0.02 per share for an aggregate offering price of \$1 million. The registration statement also registered for resale 1,500,000 shares of restricted common stock issued to one of our consultants in exchange for forgiveness of debt. The consultant may re-offer the shares at market price. The aggregate offering price of the consultant’s shares at \$0.02 per share is \$30,000.

As of December 31, 2011, we have not sold or exchanged common stock registered in the registration statement for cash, services, or in exchange for forgiveness of any debt obligation. The offering at all times has been self-underwritten, meaning we have been offering the registered shares ourselves, and we have not entered into an agreement for an underwriter to acquire some or all of the shares registered. The offering expires by its own terms on March 25, 2012. We have not incurred a material amount of expenses in offering the shares for sale because the market price of our common stock was below the fixed offering price provided in the prospectus. Also, we understand that the selling shareholder named in the prospectus has not sold its shares registered in the registration statement.

ISSUER PURCHASE OF SECURITIES

None.

INFORMATION RELATING TO OUTSTANDING SHARES

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As of May 21, 2014, there were 248,030,860 shares of our common stock issued and outstanding and 5,489,647 shares of our preferred stock issued and outstanding. Except for 50,000,000 shares reserved under our 2010 Equity Incentive Plan, we have not reserved any other shares for issuance upon exercise of common stock purchase warrants or stock options.

Of the issued and outstanding common shares, approximately 97,887,415 shares of our common stock (46,948,427 of which are owned by officers, directors and principal stock holders) have been held a period in excess of six months and are eligible to be resold pursuant to Rule 144 promulgated under the Securities Act.

Unless covered by an effective registration statement, the resale of our shares of common stock owned by officers, directors and affiliates is subject to the volume limitations of Rule 144. In general, Rule 144 permits our shareholders who have beneficially-owned restricted shares of common stock for at least six months to sell without registration, within a three-month period, a number of shares not exceeding one percent of the then outstanding shares of common stock. Furthermore, if such shares are held for at least six months by a person not affiliated with us (in general, a person who is not one of our executive officers, directors or principal shareholders during the three month period prior to resale), such restricted shares can be sold without any volume limitation.

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CAPITALIZATION

The table below sets forth our capitalization as of December 31, 2013 on an actual basis and on a pro forma, as adjusted basis, to give effect to, the issuance of 100,000,000 Shares (the maximum number that may be sold by us in this Offering), 50,000,000 Shares (50% of the Shares offered) and 10,000,000 Shares (10% of the Shares offered) at a hypothetical Offering price of \$0.04 per Share and after deducting estimated Offering expenses of approximately \$30,073.

You should read this table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, beginning on page 31 of this prospectus and our consolidated financial statements and the related notes beginning on page 42 of this prospectus.

	March 31, 2014	Shares Issued After March 31, 2014	Assuming All Shares Sold
	Actual		
Stockholders' Equity (Deficit):			
Preferred Stock, Authorized 10,000,000 Shares, \$.001 Par Value, Issued and outstanding 3,489,647	3,490		3,490
Common Stock, Authorized 950,000,000 Shares, \$.001 Par Value, Issued and Outstanding 248,030,860	248,030		248,030
Issued after March 31, 2014 (7,950,000 shares)		7,950	7,950
Common stock issuable	16,000		16,000
Additional Paid in Capital	26,119,920	151,050	26,119,920
Assuming all 100,000,000 shares are sold			100,000
Paid in capital from offering			3,870,000
Retained Earnings (Deficit)	(27,990,057)		(27,990,057)
Total Capitalization	(1,602,617)	159,000	2,526,383

	March 31, 2014	Shares Issued After March 31, 2014	Assuming 50% Of Shares Sold
	Actual		
Stockholders' Equity (Deficit):			
Preferred Stock, Authorized 10,000,000 Shares, \$.001 Par Value,			

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Issued and outstanding 3,489,647	3,490		3,490
Common Stock, Authorized 950,000,000 Shares, \$.001 Par Value,			
Issued and Outstanding 248,030,860	248,030		248,030
Issued after March 31, 2014 (7,950,000 shares)		7,950	7,950
Common stock issuable	16,000		16,000
Additional Paid in Capital	26,119,920	151,050	26,119,920
Assuming 50,000,000 shares are sold			50,000
Paid in capital from offering			1,920,000
Retained Earnings (Deficit)	(27,990,057)		(27,990,057)
 Total Capitalization	 (1,602,617)	 159,000	 526,383

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	March 31, 2014	Shares Issued After March 31, 2014	Assuming 10% Of Shares Sold
	Actual		
Stockholders' Equity (Deficit):			
Preferred Stock, Authorized 10,000,000 Shares, \$.001 Par Value, Issued and outstanding 3,489,647	3,490		3,490
Common Stock, Authorized 950,000,000 Shares, \$.001 Par Value, Issued and Outstanding 248,030,860	248,030		248,030
Issued After March 31, 2014 (7,950,000 shares)		7,950	7,950
Common stock issuable	16,000		16,000
Additional Paid in Capital	26,119,920	151,050	265,221,910
Assuming 10,000,000 shares are sold			5,000
Paid in capital from offering			165,000
Retained Earnings (Deficit)	(27,003,334)		(27,003,334)
Total Capitalization	(1,248,394)		(1,078,394)

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

The following analysis of our consolidated financial condition and results of operations for the years ended December 31, 2012 and 2011 should be read in conjunction with the Consolidated Financial Statements and other information presented elsewhere in this Prospectus.

OVERVIEW

Management believes that heightened attention to personal threats, potential large scale destruction and theft of property in the United States along with spending by the United States government on Homeland Security will continue to drive growth in the market for security products.

Our current product lines are related to visual surveillance, intrusion detection and physical security. In October 2012, we were selected for installation in seventeen Detroit public school our ViewScan VS-1000. As of the date of this Annual Report, we have installed thirty-seven. In February 2010 we introduced a new product that we call the MINI (Mobile Intelligent Network Informer). We have received multiple inquires about the need for such a device during 2008 and have invested engineering resources to create a working device. In the fall of 2009 we discovered a device in China that fit our specifications closely so we decided to enter the market with that device instead of continuing to spend our own engineering dollars. We commenced Internet sales efforts of the MINI as a distributor in February 2010. We had a net of seventeen sales in 2010. We have not had additional sales of this product, and we are not actively pursuing sales at this time.

During fiscal years ended December 31, 2012 and 2011, we received 22% and 65% of our product sales revenue from a single state municipal agency. If a significant decrease in this revenue occurs in subsequent years it could have a material effect on our financial results.

In 2011 we had 21 ViewScan units ordered by correctional facilities of which we delivered 7 units, and 60 units ordered by domestic schools and police departments, of which we delivered 21 units. We also received purchase orders for a total of 12 ViewScan units from a customer in Bangladesh, of which we delivered 2 units in 2011 and the remainder in 2012. Our ability to fill these orders on a timely basis was hampered by a lack of cash needed to acquire the necessary parts.

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Our strategy for 2014 for ViewScan will be to extend our sales and service provisions. To increase sales we offer demonstrations of our products to potential customers in specific geographical areas and at region - specific trade shows, such as sheriff's conventions, court administrators' meetings, civil support team, state police and dealer shows. When a demonstration results in a sale of one of our products, then we attempt to expand that market by contacting other potential customers in the area, such as, correctional facilities, courthouses and other municipal buildings.

In the short term, management plans to raise funds through sales of our common stock for fulfillment (manufacturing, packaging and shipment), which will set the stage for future orders becoming self funding. Then the next phase of our business plan will be to raise additional funds through common stock offerings to provide working capital to finance several acquisitions and the integration of new technologies and businesses.. We also intend to continue to strengthen our balance sheet by paying off debt either through exchange of equity for cancellation of debt obligations or the payment of debt obligations with cash.

When possible we have conserved our cash by paying employees, consultants, and independent contractors with our common stock. As of March 2010, our outstanding equity compensation and equity incentive plans established in 1999 and 2000 had expired by their terms. We implemented two new plans in April and June 2010, respectively. On April 2, 2010, by majority shareholder consent, we adopted our 2010 Equity Incentive Plan. Reserved for equity issuances under the Equity Incentive Plan are 50,000,000 shares of our common stock. On June 1, 2010, by majority shareholder consent, we adopted our 2010 Service Provider Stock Compensation Plan. Reserved for equity issuances under the Service Provider Stock Compensation Plan are 50,000,000 shares of our common stock. On July 21, 2010, we registered the common stock issuable under the 2010 Equity Incentive Plan and the 2010 Service Provider Stock Compensation Plan. A total of 100,000,000 shares are reserved for issuances under the two plans.

No Merger or Acquisition Pending in 2013

We have not entered into definite agreements or decisions about any business combination opportunities, although we did have several discussions with interested parties that appeared to be promising. None of those discussions resulted in the execution of a term sheet or other document, and we do not believe that such discussions with such parties will be resumed. However, we continue to explore potential merger and acquisition options.

Discontinued Operation

Fiber optic contract installations peaked for 2010 in the summer months. Although this market is seasonal and slow in the fall and winter months, we did not secure meaningful subcontract work during 2011. We have chosen not to pursue Fiber optic network installations and have discontinued this area of our business.

Form S-1 Registration Statement Declared Effective

On October 7, 2010, we filed a registration statement with the U.S. Securities & Exchange Commission (“SEC”) on Form S-1 to register 50,000,000 shares of our common stock with the hope of raising up to \$1 million. The Form S-1 was declared effective by the SEC on March 25, 2011. The stated primary purposes of the offering are to obtain additional capital to: (1) facilitate product fulfillment (manufacturing, packaging and shipment), which we anticipate will enable future orders to be self funding; (2) provide working capital to finance corporate acquisitions and the integration of new technologies; and (3) retire debt through cash payment or the exchange of debt obligations with payment in registered common stock. The registration statement also registered for resale 1,500,000 shares of restricted common stock issued to one of our consultants in exchange for forgiveness of debt.

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Having our registration statement declared effective proved to be only the first step in pursuit of restructuring our debts with the help of a registered securities offering. Two circumstances, which may be related, prevented our progress: (1) we have not secured a suitable investment banking relationship through which to underwrite all or part of the offering; and (2) our common stock traded in 2011 at share prices below the \$0.02 per share fixed price of the offering, making it impossible to find public buyers for registered stock. We anticipate that we will have greater success in 2013 in selling stock registered in the offering because in our first quarter of 2012 we made our first sales of our registered shares. The registration statement by its terms expires on March 25, 2012.

RESULTS OF OPERATIONS FOR THREE MONTH PERIOD ENDED MARCH 31, 2014

The following discussions are based on our consolidated financial statements, including our subsidiaries. These charts and discussions summarize our financial statements for the three months ended March 31, 2014 and March 31, 2013 and should be read in conjunction with the financial statements, and notes thereto, included with our most recent Form 10-K for fiscal year ended December 31, 2013.

SUMMARY COMPARISON OF OPERATING RESULTS*

	Three	
	Month Period	
	ended March 31	
	<u>2014</u>	<u>2013</u>
Revenues, net	\$ 90,273	\$K38,230
Cost of sales	19,071	197,490
Gross profit (loss)	01,202	140,740
Total operating expenses	L41,332	J12,733
Profit (Loss) from operations	(370,130)	(71,993)
Total other income (expense)	(8,881)	(462,894)
Net income (loss)	(379,011)	(534,887)
Net income (loss) per share	\$ (0.00)	\$ (0.00)

Three Month Period Ended March 31, 2014 Compared to Three Month Period Ended March 31, 2013.

Our net loss for the three month period ended March 31, 2014 was (\$379,011) compared to a net loss of (\$534,887) during the three month period ended March 31, 2013 (a decrease in net loss of \$495,876). We generated net revenues of \$90,273 during the three month period ended March 31, 2014 compared to \$338,230 during the three month period ended March 31, 2013 (a decrease in net revenue of \$247,957). During the three month period ended March 31, 2014, revenue consisted of: (i) \$53,917 (2013: \$320,741) in product sales and installation; and (ii) \$36,356 (2013: \$17,489) in extended warranties.

Revenue is generally considered earned when the product is shipped to the customer. The concealed weapons detection system and the digital video system each require installation and training. Training is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training.

We have experienced a decrease in sales of our products which resulted in decreased revenues for the three month period ended March 31, 2014 compared to the three month period ended March 31, 2013. The decline in decreased revenues was due to a decline in the demand for our security products.

Cost of goods sold decreased during the three month period ended March 31, 2014 to \$19,071 from \$197,490 incurred during the three month period ended March 31, 2013, resulting in a gross profit of \$71,202 for the three month period ended March 31, 2014 compared to a gross profit of \$140,740 for the three month period ended March 31, 2013. During the three month period ended March 31, 2014, the prevailing trend of decreasing cost of goods sold was due to an decrease in the security-related products ordered by government agencies and due to the decrease in associated costs related to the components of our security-related products, which is based on general overall economic factors. The gross profit percentage on our non-warranty revenue, which is a measurement of gross profit as a percent of sales of products, installations and related revenue, decreased during the three month period ended March 31, 2014 as compared to the three month period ended March 31, 2013.

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During the three month period ended March 31, 2014, we incurred operating expenses of \$441,332 compared to \$212,733 incurred during the three month period ended March 31, 2013 (an increase of \$228,599). These operating expenses incurred during the three month period ended March 31, 2014 consisted of: (i) general and administrative of \$60,576 (2013: \$55,859); (ii) professional fees of \$280,737 (2013: \$89,386); and (iii) salaries and benefits of \$100,019 (2013: \$67,488).

During the three month period ended March 31, 2014, our general and administrative expenses generally consisted of: (i) bank service charges of \$554 (2013: \$877); (ii) contractual temporary labor of \$2,415 (2013: \$2,350); (iii) filing and service fees of \$2,131 (2013: \$6,922); (iv) insurance of \$-0- (2013: \$605); (v) postage and delivery of \$5,040 (2013: \$1,867); (vi) rent of \$10,477 (2013: \$13,145); (vii) supplies of \$4,042 (2013: \$2,320); (viii) telephone of \$2,181 (2013: \$2,956); (ix) other of \$2,141 (2013: \$-0-); (x) travel \$18,360 (2013: \$17,588); (xi) utilities of \$2,657 (2013: \$2,767); (xii) advertising and promotion \$2,167 (2013: \$1,070); (xiii) depreciation of \$1,600 (2013: \$2,882); (xiv) auto and truck of \$2,632 (2013: \$206); and (xv) programming of \$1,408 (2013: \$-0-).

During the three month period ended March 31, 2014, our professional fees consisted of: (i) accounting fees of \$33,325 (2013: \$9,520); (ii) engineering fees of \$79,000 (2013: \$22,600); (iii) legal fees of \$800 (2013: \$-0-); (iv) investor relations fees of \$2,500 (2013: \$30,000); (v) management and operations \$50,000 (2013: \$-0-); (vi) marketing and promotion \$113,704 (2013: \$27,286); and (vii) programming of \$1,408 (2013: \$-0-).

Operating expenses incurred during the three month period ended March 31, 2014 compared to the three month period ended March 31, 2013 increased primarily due to the increase in professional fees of \$191,351 and salaries and benefits of \$32,531.

Our net operating loss during the three month period ended March 31, 2014 was (\$370,130) compared to a net operating loss of (\$71,993) during the three month period ended March 31, 2013.

During the three month period ended March 31, 2014, we incurred other expenses as follows: (i) stock option compensation based on valuation of options granted of \$-0- (2013: \$450,000); and (ii) interest expense in the amount of (\$8,881) (2013: (\$12,894)). The increase in interest expense was due to a decrease in interest bearing notes payable. During the three month period ended March 31, 2013, we realized stock compensation based on issuance of shares as compensation for salaries.

After deducting other expense, we realized a net loss of (\$379,011) or (\$0.00) for the three month period ended March 31, 2014 compared to a net loss of (\$534,887) or (\$0.00) for the three month period ended March 31, 2013. The weighted average number of shares outstanding was 244,557,551 for the three month period ended March 31, 2014 compared to 173,621,178 for the three month period ended March 31, 2013.

RESULTS OF OPERATIONS FOR FISCAL YEAR ENDED DECEMBER 31, 2013

The following discussions are based on the consolidated financial statements of View Systems and its subsidiaries. These charts and discussions summarize our financial statements for the years ended December 31, 2013 and 2012 and should be read in conjunction with the financial statements, and notes thereto, included with this report at Part II, Item 8, below.

SUMMARY COMPARISON OF OPERATING RESULTS

	Years ended December	
	31,	
	2013	2012
Revenues, net	\$550,693	\$850,456
Cost of sales	317,242	420,543
Gross profit (loss)	233,451	429,913
Total operating expenses	1,747,149	1,296,925
Loss from operations	(1,513,698)	(867,012)
Total other income (expense)	(494,403)	(21,010)
Net loss	(2,008,101)	(888,022)
Net loss per share	\$(0.01)	\$(0.01)

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Revenue is generally considered earned when the product is shipped to the customer. The concealed weapons detection system and the digital video system each require installation and training. Training is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training.

The following chart provides a breakdown of our sales in 2013 and 2012.

	2013	2012
ViewScan/VFR	\$424,266	\$661,465
Warranty	90,040	104,603
Surveillance Package	-0-	-0-
Fiber-optic installation	13,290	28,730
Service, installation, training, etc	23,097	55,658
Total	\$550,693	\$850,456

Our sales backlog at December 31, 2013, was \$-0--and our backlog at December 31, 2012 was \$257,000. The delay between the time of the purchase order and shipping of the product results in a delay of recognition of the revenue from the sale. This delay in recognition of revenues will continue as part of our results of operations. We measure backlog as orders for which a purchase order or contract has been signed or a verbal commitment for order or delivery has been made, but which has not yet been shipped and for which revenues have not been recognized. We typically ship our products weeks or months after receiving an order. However, we are attempting to shorten this lead time to several weeks.

Also, product shipments may require more lead-time and may be delayed for a variety of reasons beyond our control, including additional time necessary to conduct product inspections prior to shipping, design or specification changes by the customer, the customer's need to prepare an installation site, and delays caused by other contractors on the project. We have a back log because we do not hold unsold units in inventory.

Fiscal Year Ended December 31, 2013 Compared to Fiscal Year Ended December 31, 2012.

Our net loss for fiscal year ended December 31, 2013 was (\$2,008,101) compared to a net loss of (\$888,022) during fiscal year ended December 31, 2012 (an increase in net loss of \$1,135,104).

We generated revenues of \$550,693 during fiscal year ended December 31, 2013 compared to \$850,456 during fiscal year ended December 31, 2012. During fiscal year ended December 31, 2013, revenue consisted of: (i) \$460,653 (2012: \$745,852) in product sales and installation; and (ii) \$90,040 (2012: \$104,604) in extended warranties.

The concealed weapons system and the digital video system each require installation and training. Training is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training. Revenue recognition may be delayed for other reasons. Product.

We generated revenues of \$550,693 during fiscal year ended December 31, 2013 compared to \$850,456 during fiscal year ended December 31, 2012. During fiscal year ended December 31, 2013, revenue consisted of: (i) \$460,653 (2012: \$745,852) in product sales and installation; and (ii) \$90,040 (2012: \$104,604) in extended warranties.

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The concealed weapons system and the digital video system each require installation and training. Training is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training. Revenue recognition may be delayed for other reasons. Product shipments may require more lead-time and may be delayed for a variety of reasons beyond our control, including additional time necessary to conduct product inspections prior to shipping, design or specification changes by the customer, the customer's need to prepare an installation site, and delays caused by other contractors on the project. As discussed above, we have a backlog because we hold unsold units in inventory. The delay between the time of the purchase order and shipping of the product results in a delay of recognition of the revenue from the sale. This delay in recognition of revenues will continue as part of our results of operations. We measure backlog as orders for which a purchase order or contract has been signed or a verbal commitment for order or delivery has been made, but which has not yet been shipped and for which revenues have not been recognized. We typically ship our products several months after receiving an order. The delay is caused by timing of the installation. However, we are attempting to shorten this lead time to several weeks.

We have experienced a decrease in sales of our products which resulted in decreased revenues for fiscal year ended December 31, 2013 compared to fiscal year ended December 31, 2012. We believe the decline in decreased revenues was due to the conclusion of a major sales contract during the quarter ended March 31, 2013 and a slight decline in the demand for our security products.

Cost of goods sold decreased during fiscal year ended December 31, 2013 to \$317,242 from \$420,543 incurred during fiscal year ended December 31, 2012, resulting in a gross profit of \$233,451 for fiscal year ended December 31, 2013 compared to a gross profit of \$429,913 for fiscal year ended December 31, 2012. During fiscal year ended December 31, 2013, the prevailing trend of decreasing cost of goods sold was due to a decrease in the security-related products ordered by government agencies and due to the decrease in associated costs related to the components of our security-related products, which is based on general overall economic factors. The gross profit percentage on our non-warranty revenue, which is a measurement of gross profit as a percent of sales of products, installations and related revenue, decreased during fiscal year ended December 31, 2013 as compared to fiscal year ended December 31, 2012.

During fiscal year ended December 31, 2013, we incurred operating expenses of \$1,747,149 compared to \$1,296,925 incurred during fiscal year ended December 31, 2012 (an increase of \$450,224). These operating expenses incurred during fiscal year ended December 31, 2013 consisted of: (i) general and administrative of \$341,390 (2012: \$361,393); (ii) professional fees of \$1,037,204 (2012: \$623,352); and (iii) salaries and benefits of \$368,555 (2012: \$312,180).

During fiscal year ended December 31, 2013, our general and administrative expenses generally consisted of: (i) advertising and promotion of \$10,394; (ii) advertising and promotion - trade shows of \$1,104; (iii) bank service charges of \$4,396; (iv) contractual temporary labor of \$22,924; (v) filing and service fees of \$33,066; (vi) insurance - auto of \$3,332; (vii) liability insurance of \$7,975; (viii) postage and delivery of \$13,674; (ix) rent of \$44,652; (x) supplies of \$23,848; (xi) telephone of \$13,495; (xii) travel of \$97,501; (xiii) utilities of \$9,597; (xiv) depreciation of \$12,597; (xv) product development of \$21,997; (xvi) auto and truck of \$5,144; (xvii) dues and subscriptions of \$1,847; and (xviii) other of \$13,847.

During fiscal year ended December 31, 2013, our professional fees consisted of: (i) accounting fees of \$108,988; (ii) engineering fees of \$144,200; (iii) legal fees of \$30,077; (iv) marketing and promotional fees of \$230,064; (v) management and operations of \$209,500; and (vi) investor relations of \$314,375.

Operating expenses incurred during fiscal year ended December 31, 2013 compared to fiscal year ended December 31, 2012 increased primarily due to the increase in professional fees of \$413,852 and salaries and benefits of \$56,375. The increase in professional fees was related to necessary increases in accounting, auditing and legal fees to improve the quality and timeliness of financial reporting. The increase in salaries and benefits related primarily to an increase in personnel at a time when we increased our sales efforts.

Our loss from operations during fiscal year ended December 31, 2013 was (\$1,513,698) compared to a loss from operations of (\$867,012) during fiscal year ended December 31, 2012.

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During fiscal year ended December 31, 2013, we realized other income/expense in the total amount of \$494,403 consisting of: (i) gain from renegotiated debt of \$43,561 (2012: \$41,010); (ii) stock compensation expense of (\$450,000) (2012: \$-0-); (iii) bad debt expense of \$7,848 (2012: \$-0-); and (iv) interest expense of (\$80,116) (2012: \$(62,020)). The increase in interest expense was due to a decrease in interest bearing notes payable. During fiscal year ended December 31, 2013, we realized stock compensation based on issuance of shares as compensation for salaries. Therefore, this resulted in total other expense during fiscal year ended December 31, 2013 of (\$494,403) compared to total other expense during fiscal year ended December 31, 2012 of (\$21,010).

After deducting other expense, we realized a net loss of (\$2,008,101) or (\$0.01) for fiscal year ended December 31, 2013 compared to a net loss of (\$888,022) or (\$0.01) for fiscal year ended December 31, 2012. The weighted average number of shares outstanding was 194,843,005 for fiscal year ended December 31, 2013 compared to 157,505,068 for fiscal year ended December 31, 2012.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

Three Month Period Ended March 31, 2014

As at the three month period ended March 31, 2014, our current assets were \$91,205 and our current liabilities were \$1,666,328, which resulted in a working capital deficit of \$1,575,123. As at the three month period ended March 31, 2014, current assets were comprised of: (i) \$13,101 in cash; (ii) \$67,150 in accounts receivable; and (iii) \$10,954 in inventory. As at the three month period ended March 31, 2014, current liabilities were comprised of: (i) \$504,689 in accounts payable and accrued expenses; (ii) \$180,395 in deferred compensation; (iii) \$167,550 in accrued and withheld payroll taxes payable; (iv) \$50,625 in accrued interest payable; (v) \$225,000 in accrued royalties payable; (vi) \$287,855 in loans from stockholders; (vii) \$114,544 in notes payable; (viii) \$135,670 in deferred revenue.

As of March 31, 2014, our total assets were \$102,869 comprised of: (i) \$91,205 in current assets; (ii) property and equipment (net) of \$8,792; and (iii) \$2,872 in deposits. The decrease in total assets during the three month period ended March 31, 2014 from fiscal year ended December 31, 2013 was primarily due to the decrease in inventory and prepaid expenses.

As of March 31, 2014, our total liabilities were \$1,705,486 comprised of: (i) \$1,666,328 in current liabilities; and (ii) \$39,158 in long term portion of notes payable. The increase in liabilities during the three month period ended March 31, 2014 from fiscal year ended December 31, 2013 was primarily due to the increase in accounts payable and accrued expenses and loans from stockholders.

Stockholders' deficit increased from (\$1,296,106) for fiscal year ended December 31, 2013 to (\$1,602,617) for the three month period ended March 31, 2014.

Fiscal Year Ended December 31, 2013

As of December 31, 2013, our current assets were \$156,500 and our current liabilities were \$1,419,772, which resulted in a working capital deficit of \$1,263,272. As of December 31, 2013, current assets were comprised of: (i) \$53,078 in cash; (ii) \$46,424 in accounts receivable (net of allowance for doubtful accounts of \$-0-); (iii) \$24,109 in inventory; and (iv) \$32,889 in prepaid expenses. As of December 31, 2013, current liabilities were comprised of: (i) \$357,803 in accounts payable and accrued expenses; (ii) \$124,190 in deferred compensation; (iii) \$170,509 in accrued and withheld payroll taxes payable; (iv) \$43,125 in accrued interest payable; (v) \$225,000 in accrued royalties payable; (vi) \$251,054 in loans from stockholders; (vii) \$126,116 in notes payable; and (viii) deferred revenue of \$121,975.

As of December 31, 2013, our total assets were \$169,764 comprised of: (i) \$156,500 in current assets; (ii) property and equipment (net) of \$10,392; and (iii) \$2,872 in deposits. The decrease in total assets during fiscal year ended December 31, 2013 from fiscal year ended December 31, 2012 was primarily due to the substantial decrease in inventory, cash and prepaid expenses.

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As of December 31, 2013, our total liabilities were \$1,465,870 comprised of: (i) \$1,419,772 in current liabilities; and (ii) \$46,098 in long term portion of notes payable. The decrease in liabilities during fiscal year ended December 31, 2013 from fiscal year ended December 31, 2012 was primarily due to the decrease in accounts payable and accrued expenses, stock settlement payable and deferred revenue.

Stockholders' deficit decreased from (\$1,511,815) for fiscal year ended December 31, 2012 to (\$1,296,106) for fiscal year ended December 31, 2013.

Cash Flows from Operating Activities for Three Month Period Ended March 31, 2014

We have not generated positive cash flows from operating activities. For the three month period ended March 31, 2014, net cash flows used in operating activities was (\$81,945) compared to net cash flows used in operating activities of (\$137,699) for the three month period ended March 31, 2013. Net cash flows used in operating activities consisted primarily of a net loss of \$379,011 (2012: \$534,887), which was partially adjusted by: (i) \$80,389 (2012: \$57,266) in common stock issued/issuable in payment of services; (ii) \$1,600 (2012: \$2,882) in depreciation and amortization; (iii) \$-0- (2013: \$450,000) in stock option compensation; and (iv) \$-0- (2013: \$450,000) in stock option expense; and (iv) \$1,321 (2013: \$-0-) in interest expense paid with debt.

Net cash flows used in operating activities was further changed by: (i) an increase in accounts receivable of \$20,726 (2013: (\$91,639)); (ii) a decrease of \$13,155 (2013: \$113,296) in inventories; (iii) an increase of \$146,886 (2013: (\$104,226)) in accounts payable and accrued expenses; (iv) an increase of \$56,205 (2013: \$36,670) in deferred compensation; (vi) a decrease of \$2,959 (2013: \$8,433) in payroll taxes accrued and withheld; (vii) an increase in accrued interest of \$7,500 (2013: \$10,980); and an increase in deferred revenue of \$13,695 (2013: (\$86,474)).

Cash Flows from Operating Activities for Fiscal Year Ended December 31, 2013

We have not generated positive cash flows from operating activities. For fiscal year ended December 31, 2013, net cash flows used in operating activities was \$784,570 compared to \$262,599 for fiscal year ended December 31, 2012. Net cash flows used in operating activities consisted primarily of a net loss of \$2,008,101 (2012: \$888,022), which was partially adjusted by: (i) \$585,438 (2012: \$479,396) in common stock issued for payment of services; (ii) \$225,000 (2012: \$44,297) in preferred stock issued for services; (iii) \$12,597 (2012: \$14,976) in depreciation; (iv) a gain of (\$43,561) (2012: (\$41,010)) from re-negotiated debt; (v) \$16,133 (2012: \$15,000) in interest expense paid with stock; (vi) \$450,000 (2011: \$-0-) in stock option expense; and (vii) \$7,848 (2012: \$-0-) in bad debt loss from impairment.

Net cash flows used in operating activities was further changed by: (i) increase of (\$12,597) (2012: \$36,547) in accounts receivable; (ii) \$117,956 (2012: (\$19,284) in inventories; (iii) \$-0- (2012: (\$29,100) in pre-paid expenses;

(iv) decrease of (\$188,953) (2012: \$211,811) in accounts payable and accrued expenses; (v) \$96,088 (2012: (\$47,411)) in deferred compensation; (vi) \$14,623 (2012: \$18,490) in payroll taxes accrued and withheld; (vii) \$36,960 (2012: \$27,045) in accrued interest; and (viii) (\$94,001) (2012: (\$182,102)) in deferred revenue.

Cash Flows from Investing Activities for Three Month Period Ended March 31, 2014

For the three month periods ended March 31, 2014 and March 31, 2013, net cash flows used in investing activities was \$-0-.

Cash Flows from Investing Activities for Fiscal Year Ended December 31, 2013

For fiscal year ended December 31, 2013, net cash flows used in investing activities was \$6,839 compared to \$-0- for fiscal year ended December 31, 2012, which related to additions to fixed assets.

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Cash Flows from Financing Activities for Three Month Period Ended March 31, 2014

We have financed our operations primarily from debt or the issuance of equity instruments. For the three month period ended March 31, 2014, net cash flows provided from financing activities was \$41,968 compared to \$44,415 for the three month period ended March 31, 2013. Cash flows from financing activities for the three month period ended March 31, 2014 consisted of: (i) \$25,000 in proceeds from sales of common stock; and (ii) \$29,040 in proceeds/payments from stockholders loans; which was offset by \$12,072 in principal payments on notes payable.

Cash flows from financing activities for the three month period ended March 31, 2014 consisted of: (i) \$35,000 in proceeds from sales of common stock; and (ii) \$16,861 in proceeds/payments from stockholders loans, which was offset by \$7,446 in principal payment on notes payable.

Cash Flows from Financing Activities for Fiscal Year Ended December 31, 2013

We have financed our operations primarily from debt or the issuance of equity instruments. For the fiscal year ended December 31, 2013, net cash flows provided from financing activities was \$737,306 compared to \$340,739 for fiscal year ended December 31, 2012. Cash flows from financing activities for the fiscal year ended December 31, 2013 consisted of: (i) \$518,000 (2012: \$322,500) in proceeds from sales of common stock; (ii) \$217,500 (2012: \$-0-) in proceeds from issuable common stock; (iii) \$31,806 (2012: \$49,006) in proceeds from stockholder loans. Net cash flows from financing activities was offset by \$30,000 (2012; \$30,767) in principal payments made on notes payable.

PLAN OF OPERATION AND FUNDING

We have incurred losses for the past two fiscal years and had a net loss of \$379,011 at March 31, 2014 and \$534,887 at March 31, 2013. We have incurred losses for the past two fiscal years and had a net loss of \$2,008,101 at fiscal year ended December 31, 2013. Our revenues from several product sales have been increasing and some others decreasing but are not sufficient to cover all of our operating expenses. Our auditors have expressed substantial doubt that we can continue as a going concern. We are continuing to push sales and control costs.

Management intends to finance our 2014 operations primarily with the revenue from product sales and any cash short falls will be addressed through equity or debt financing, if available. Management expects revenues will continue to increase but not to the point of profitability in the short term. We will need to continue to raise additional capital, both internally and externally, to cover cash shortfalls and to compete in our markets. At our current revenue levels management believes we will require an additional \$1,200,000 in equity financing during the next 12 months to satisfy our cash requirements of approximately \$100,000 per month for operations and to facilitate our business plan.

These operating costs include cost of sales, general and administrative expenses, salaries and benefits and professional fees related to contracting engineers. We have insufficient financing commitments in place to meet our expected cash requirements for 2014 and we cannot assure you that we will be able to obtain financing on favorable terms. If we cannot obtain financing to fund our operations in 2013, then we may be required to reduce our expenses and scale back our operations.

Going Concern

If the market price of our common stock falls below the fixed price of our registered stock offering, as in prior years we may again have insufficient financing commitments in place to meet our expected cash requirements for 2014. We cannot assure you that we will be able to obtain financing on favorable terms. If we cannot obtain financing to fund our operations in 2014, then we may be required to reduce our expenses and scale back our operations. These factors raise substantial doubt of our ability to continue as a going concern. Footnote 2 to our financial statements provides additional explanation of Management's views on our status as a going concern. The audited financial statements contained in this Annual Report do not include any adjustments to reflect the possible future effects on the recoverability of assets or the amounts of liabilities that may result should we be unable to continue as a going concern.

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Our independent registered accounting firm included an explanatory paragraph December 31, 2013, in their reports on the accompanying financial statements for December 31, 2013 regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

COMMITMENTS AND CONTINGENT LIABILITIES

We lease 3,600 sq. ft. of office and warehouse space at 1550 Caton Center Drive, Suites D and E, Baltimore, Maryland. The base rent had been \$3,077 per month with an annual rent escalator of 3%. Under the current renewal the current monthly lease payment is \$3,464.

Our total current liabilities increased to \$1,666,328 at the three month period ended March 31, 2014 compared to \$1,419,772 at the three month period ended March 31, 2013. As of March 31, 2014, our short and long term notes payable consist of the following:

- We have financed a vehicle in 2009 through Chase Auto Finance with an outstanding balance of \$4,618. Payments are \$533 per month which includes interest at 5.34%. The loan is for 60 months with the final payment due in July 2014.
- We are in default of a September 18, 2009 demand loan payable to an investor which was due December 17, 2009 in the amount of \$50,000. Interest has accrued at 5% per month since December 17, 2009. The loan is secured by our accounts receivable. Effective July 1, 2012 the accrual of interest was halted by agreement with the lender.
- A term loan secured by a shareholder payable in monthly installments of \$2,587 commencing December 25, 2009 but re-financed in May 2011. The loan is due in full on May 18, 2016 and interest accrued monthly at 7.5% per annum.

OFF BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

CONTRACTUAL OBLIGATIONS

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

CRITICAL ACCOUNTING POLICIES

We have three main products, namely the concealed weapons detection system, the visual first responder system and the Viewmaxx digital video system. In all cases revenue is considered earned when the product is shipped to the customer, installed (if necessary) and accepted by the customer as a completed sale. The concealed weapons detection system and the digital video system each require installation and training. The customer can engage us for installation and training, which is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training and acceptance by the customer. However, the customer can also self-install or can engage another firm to provide installation and training. Each product has an unconditional 30 day warranty, during which time the product can be returned for a complete refund. Customers can purchase extended warranties, which provide for replacement or repair of the unit beyond the period provided by the unconditional warranty. Warranties can be purchased for various periods but generally they are for one year period that begins after any other warranties expire. The revenue from warranties is recognized on a straight line bases over the period covered by the warranty. Prior to the issuance of financial statements management reviews any returns subsequent to the end of the accounting period which are from sales recognized during the accounting period, and makes appropriate adjustments as necessary. Product prices are fixed or determinable and products are only shipped when collectability is reasonably assured.

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Going Concern Opinion

You should carefully consider the risks, uncertainties and other factors identified below because they could materially and adversely affect our business, financial condition, operating results and prospects and could negatively affect the market price of our Common Stock. Also, you should be aware that the risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we do not yet know of, or that we currently believe are immaterial, may also impair our business operations and financial results. Our business, financial condition or results of operations could be harmed by any of these risks. The trading price of our Common Stock could decline due to any of these risks, and you may lose all or part of your investment. In assessing these risks you should also refer to the information contained in or incorporated by reference to our Form 10-K for the year ended December 31, 2012, including our financial statements and the related notes thereto.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS AND EXECUTIVE OFFICERS

The following table includes the names and positions held of our executive officers and directors who serve as of the date of this Prospectus.

NAME	AGE	POSITION	DIRECTOR SINCE
Gunther Than	66	Chief Executive Officer, Treasurer and Director	1998
Michael L. Bagnoli	58	Corp. Secretary and Director	1999
Martin Maassen	71	Director	1999
Reid Miles	52	Director	2013

Gunther Than, Director, Treasurer and Chief Executive Officer. Gunther Than was appointed Treasurer in July 2003 and has served as our Chief Executive Officer since September 1998. He served as our President from September 1998 to May 2003 and had served intermittently as Chairman of the Board from September 1998 to September 2003. Mr. Than was the founder, President and CEO of Real View Systems, Inc., a company that developed compression technology and computer equipment. Real View Systems was acquired by View Systems in 1998. Between March 2010 and December 2010, Mr. Than also served as an officer and director of Kalahari Greentech, Inc., a development stage manufacturer and distributor of solar power and wind energy electrical products, to which Mr. Than devoted less than 10 hours per week of his time. Mr. Than is a graduate of the University of Wisconsin.

Michael L. Bagnoli, Secretary and Director. Mr. Bagnoli became a Director in May 1999 and was appointed Secretary in June 2004. He holds degrees as a medical doctor and a dental specialist. Since 1988 he has practiced dentistry in the specialty area of oral and masiofacial surgery for a physician group in Lafayette, Indiana. In his practice he introduced arthroscopy surgery along with the full scope of arthroplastic and total joint reconstruction. Mr. Bagnoli was founder, CEO and president of a successful medical products company, Biotek, Inc., which was sold in 1994.

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Martin Maassen, Director. Mr. Maassen became a Director in May 1999. He formerly served as our Chairman of the Board from April 2000 to September 2002. From September 1995 to the present he is a staff physician at Lafayette Emergency Care, P.C. located in Lafayette, Indiana. He is board-certified in internal medicine and emergency medicine and has served as a staff physician in the emergency departments of Jackson County, Deaconess, Union and St. Elizabeth hospitals located in Indiana. In addition to practicing medicine, he maintains an expertise in computer technologies and their medical applications.

Reid R. Miles. Mr. Miles has over twenty years of experience in investment management and operational management. He has been active as a professional investor for over sixteen years during which he has invested in over thirty direct investments and managed numerous fund investments. Since 2005, Mr. Miles has been the founder and chief executive officer of Miles Howland & Co. LLC, a New York based investment management firm focused on the management of alternative asset investments. Prior to founding Miles Howland & Co LLC, from approximately 2001 through 2005, Mr. Miles was a managing director and partner of BV Group Ventures LLC. BV Group Ventures LLC is a diversified international investment management firm. From approximately 1996 through 2001, Mr. Miles was a founding partner and managing director at Blue Water Capital LLC, a venture capital firm. In addition to being an experienced investor, Mr. Miles is a proven business entrepreneur, manager and executive. He is currently a director of the following companies: CreditSights (www.creditsights.com) an independent research firm focused on global credit markets and Tachyon Networks (www.tachyon.com) a developer of satellite broadband communications solutions.

Mr. Miles graduated with honors from Claremont McKenna College in 1984. He also completed a management training program at IBM Corporation in 1986.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of our directors, executive officers or control persons has been involved in any of the legal proceedings required to be disclosed in Item 401 of Regulation S-K, during the past five years.

CORPORATE GOVERNANCE MATTERS

Audit Committee

The board of directors has established an audit committee, and the functions of the audit committee are currently performed by our Corporate Secretary, with assistance by expert independent accounting personnel and oversight by the entire board of directors. We are not currently subject to any law, rule or regulation requiring that we establish or maintain an audit committee.

Board of Directors Independence. Our board of directors currently consists of three members. We are not currently subject to any law, rule or regulation requiring that all or any portion of our board of directors include "independent" directors.

Audit Committee Financial Expert. Our board of directors has determined that we do not have an audit committee financial expert serving on our audit committee within the meaning of Item 407(d)(5) of Regulation S-K. In general, an "audit committee financial expert" is an individual member of the audit committee who (a) understands generally accepted accounting principles and financial statements, (b) is able to assess the general application of such principles in connection with accounting for estimates, accruals and reserves, (c) has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity to the Company's financial statements, (d) understands internal controls over financial reporting and (e) understands audit committee functions.

We have not yet replaced our former audit committee financial expert, but we are engaged in finding a suitable replacement.

Code of Ethics

We have not adopted a code of ethics for our executive officers, directors and employees. However, our management intends to promote honest and ethical conduct, full and fair disclosure in our reports to the SEC, and compliance with applicable governmental laws and regulations.

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Nominating Committee

We have not yet established a nominating committee. Our board of directors, sitting as a board, performs the role of a nominating committee. We are not currently subject to any law, rule or regulation requiring that we establish a nominating committee.

Compensation Committee

We have not established a compensation committee. Our board of directors, sitting as a board, performs the role of a compensation committee. We are not currently subject to any law, rule or regulation requiring that we establish a compensation committee. During the last fiscal year, Mr. Gunther Than, an executive officer, participated in our board of directors' deliberations concerning executive officer compensation.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Commission. Officers, directors and greater than ten percent beneficial owners are required by Commission regulations to furnish us with copies of all forms they file pursuant to Section 16(a). Based solely on our review of the copies of such forms received and written representations from reporting persons required to file reports under Section 16(a), all of the Section 16(a) filing requirements applicable to such persons, with respect to fiscal 2011, appear not to have been complied with to the best of our knowledge.

EXECUTIVE COMPENSATION.

Management has been compensated in cash, accrued salary, common stock, and reimbursement of fuel expense during the fiscal years ended December 31, 2013 and 2012. The cash value of Mr. Gunther Than's compensation was determined in negotiations with directors Drs. Maassen and Bagnoli and was determined based upon an informal survey of human resource firms as to the compensation awarded to chief executives in companies with similar revenues. Likewise, the cash value of Messrs. Michael Burton-Prateley's and William Paul Price's respective compensation was determined in negotiations with Mr. Than that were ratified by Drs. Maassen and Bagnoli. The Company's limited revenues have prevented its executive, Mr. Than, from receiving payment in cash for compensation for services. Mr. Than accrued \$120,000 in salary for 2013 and 2012.

We paid compensation to each of the directors and executive officers in the following amounts during fiscal year 2013 and 2012:

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SUMMARY COMPENSATION TABLE‡

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Incentive Plan Compensation (\$)	Non-Nonequity Qualified	Other Compensation (\$)	Total Compensation (\$)
							Deferred Compensation Earnings (\$)		
				(1)(2)					
Gunther Than	2012	\$ 120,000 (3)	\$ 30,000	108,151	43,338				\$ 398,901
(Principal Chief Executive Officer, President and Director)	2013	150,000 (4)	\$	160,000					150,000
William Paul Price	2012	0							0
(Vice President of Network Services and Director) (5)	2013	0							0

(1) During fiscal year ended December 31, 2013, we accrued an aggregate of \$150,000 to Mr. Than. During fiscal year ended December 31, 2012, we paid an aggregate of \$398,901 to Mr. Than as executive compensation as follows: (i) cash in the amount of \$87,412; (ii) issuance of 1,839,000 shares of common stock on April 26, 2012 at a per share price of approximately \$0.059 with an aggregate value of \$108,151; (iii) issuance of 1,000,000 shares of Series A preferred stock on April 26, 2012 at a per share price of approximately \$0.043 with an aggregate value of \$43,338; and (iv) issuance of 8,000,000 shares of common stock on December 26, 2012 at a per share price of \$0.02 with an aggregate value of \$160,000. Each share of Series A preferred stock has the equivalent of fifteen votes per share of common stock and is entitled to vote on all matters. Mr. Than also receives reimbursement of motor fuel expense.

(2) We account for share-based compensation at fair value. Share-based compensation cost for stock options granted to employees, board members and service providers is determined at the grant date using an option pricing model that uses level 3 unobservable inputs. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period. See Footnote 1 to the financial statements for fiscal year ended December 31, 2013.

(3) Of the \$120,000 salary earned during fiscal year ended December 31, 2012, \$87,412 was paid in cash and the remainder accrued.

(4) Of the \$120,000 salary earned during fiscal year ended December 31, 2013, \$-0- was paid in cash and the entire amount was accrued.

(5) The Company does not consider Mr. Price to be an executive officer, but he is included in this table because he is the only other management level employee.

Payroll is accrued payable to Mr. Than at the rate of \$10,000 per month. Therefore his annual rate of pay is \$120,000.

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DIRECTOR COMPENSATION

Our directors received the following compensation for their service as directors during the fiscal year ended December 31, 2013:

	Fees Earned or Paid in Cash \$	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Non-Qualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Gunther Than	0	0	0	0	0	0	0
Michael L. Bagnoli	0	0	0	0	0	0	0
Martin Maassen	0	0	0	0	0	0	0
Reid Miles (1)	0	0	450,000	0	0	0	450,000

(1) During fiscal year ended December 31, 2013, we granted 10,000,000 stock options to Reid Miles which were valued at \$450,000 pursuant to Black Sholes. The stock options are exercisable at the sole discretion of Mr. Miles into 10,000,000 shares of common stock at an exercise price of \$0.03 per share. We account for share-based compensation at fair value. Share-based compensation cost for stock options granted to employees, board members and service providers is determined at the grant date using an option pricing model that uses level 3 unobservable inputs. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period. See Footnote 1 to the financial statements for fiscal year ended December 31, 2013

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS**Gunther Than Executive Employment Agreement**

On January 1, 2014, the Board of Directors authorized the execution of that certain executive employment agreement (the "Executive Agreement") with our President/Chief Executive Officer, Secretary, Treasurer/Chief Financial Officer, Gunther Than (the "Executive"). In accordance with the terms and provisions of the Executive Agreement: (i) the Executive shall provide services and perform all duties typical of the offices held by the Executive; (ii) we shall pay to the Executive a base salary of \$20,000 per month, payable in form of cash or shares of our common stock as agreed upon, (ii) we shall pay to the Executive an incentive bonus to be determined by the Board of Directors based upon our performance and the results achieved by the Executive in his job performance; (iii) we shall issue stock options to purchase shares of our common stock, such stock options to accrue and vest in accordance with a set schedule to be decided by the Board of Directors; (iv) we shall pay to the Executive a per annum payment of at least

1,600,000 shares of common stock and additionally whatever the Board of Directors may give as a bonus at their discretion in exchange for the non-compete provisions contained therein; and (v) in the event of a change in control of the Board of Directors or a buyout or a takeover or substantial change of management, we will pay to the Executive a minimum of three years salary plus 4,800,000 shares of S-8 common stock or the equivalent in cash at the Executive's discretion.

In further accordance with the terms and provisions of the Executive Agreement, in consideration of the payment specified above in subparagraph (iv), and for so long as the Executive is employed by us, and for one calendar year following termination of this Executive Agreement, the Executive shall not directly or indirectly own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with as an officer, employee, partner, stockholder, consultant or otherwise, any individual, partnership, firm, corporation or other business entity that materially competes with us.

In further accordance with the terms and provisions of the Executive Agreement, in consideration of the payment specified above in subparagraph (iv), and for so long as the Executive is employed by us, and for one calendar year following termination of this Executive Agreement, the Executive shall not, whether for his own account or for the account of any other individual, partnership, firm, corporation or other business entity, intentionally solicit, endeavor to entice away from us or otherwise interfere with the relationship between us and any person who is employed by or otherwise engaged to perform services for us, including any employees of our venture partners and independent sales representatives or organizations or any person or entity who is or was within the then most recent twelve month period customer or client of ours.

The term of the Executive Agreement shall commence January 1, 2014 and continue in effect unless terminated by either party upon ninety days written notice. However, in the event the Executive's employment is terminated by us at our discretion and is without cause, for a period of three years following such termination, the Executive shall be paid his base salary and a bonus for each of the three years equivalent in value to the bonus received in the year prior to his termination. In the event the Executive terminates his employment, we shall pay the Executive the compensation the Executive has earned to the termination date. Lastly, in the event we are acquired or the non-surviving party in a merger or sell all or substantially all of our assets, this Executive Agreement shall not be deemed terminated as a result thereof.

Consulting Agreement Reid Miles

On February 26, 2013, the Board of Directors authorized the execution of a consulting agreement with Reid Miles effective March 1, 2013 (the "Consulting Agreement") based upon a perceived need for additional expertise and consulting services in the refinement and execution of its strategic plan, including product strategy and technology road mapping, development of budgets and financial operating models and our ongoing capitalization.

In accordance with the terms and provisions of the Consulting Agreement, Mr. Miles shall: (i) assist in the preparation of updated strategic business plans, including potential market share, revenues, variable and fixed costs, capital items and projected revenues and net income; (ii) consult on our ongoing capital structure and the optimal capital planning; (iii) consult on the development of strategic partners for us, including manufacturing partners, distribution partners, fulfillment partners and capital partners; and (iv) lead the recruitment effort of a new chief executive officer and further outside board members for us to assist in our growth and overall corporate governance.

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In further accordance with the terms and provisions of the Consulting Agreement, we granted to Mr. Miles an aggregate of 10,000,000 stock options with an exercise price of \$0.03 per share for a five year exercise period.

Issuance of Common Stock

During fiscal year ended December 31, 2013, we issued 1,166,667 shares of common stock at a per share price of \$0.03 to Reid Miles, one of our directors, in accordance with the terms and provisions of a subscription agreement dated March 22, 2013. We did not issue any shares of stock to Mr. Than.

During fiscal year ended December 31, 2012, we issued to Mr. Than shares of common stock as payment towards accrued compensation as follows: (i) issuance of 1,839,000 shares of common stock on April 26, 2012 valued at \$108,151; and (ii) 8,000,000 shares of common stock on December 26, 2012 valued at \$160,000.

Issuance of Preferred Stock

During fiscal year ended December 31, 2012, we issued to Mr. Than shares of preferred stock as payment towards accrued compensation as follows: (i) issuance of 1,000,000 shares of Series A preferred stock on April 26, 2012 valued at \$43,338.

Directors Compensation

Other than Reid Miles, no other director received compensation for services rendered in any capacity to us during the fiscal years ended December 31, 2013 and December 31, 2012.

Indemnification of Directors and Officers

Our Articles of Incorporation, as amended and restated, and our Bylaws provide for mandatory indemnification of our officers and directors, except where such person has been adjudicated liable by reason of his negligence or willful misconduct toward the Company or such other corporation in the performance of his duties as such officer or director.

Our Bylaws also authorize the purchase of director and officer liability insurance to insure them against any liability asserted against or incurred by such person in that capacity or arising from such person's status as a director, officer, employee, fiduciary, or agent, whether or not the corporation would have the power to indemnify such person under the applicable law.

Compensation Committee Interlocks and Insider Participation

We have not established a compensation committee. We are not currently subject to any law, rule or regulation requiring that we establish a compensation committee. During the last fiscal year, Mr. Gunther Than, an executive officer, participated in our board of directors' deliberations concerning executive officer compensation.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth information as of July 1, 2014 regarding the beneficial ownership of our common and preferred stock (Series A), (a) each stockholder who is known by the Company to own beneficially in excess of 5% of our outstanding common stock; (b) each director known to hold common or preferred stock; (c) the Company's chief executive officer; and (d) the executive officers and directors as a group. Except as otherwise indicated, all persons listed below have (i) sole voting power and investment power with respect to their shares of stock, except to the extent that authority is shared by spouses under applicable law, and (ii) record and beneficial ownership with respect to their shares of stock. The percentage of beneficial ownership of common stock is based upon 248,030,860 shares of common stock outstanding as of July 1, 2014. The percentage of beneficial ownership of preferred stock is based upon 3,489,647 shares of preferred stock outstanding as of July 1, 2014. Therefore, the percentage of total voting power is based upon total voting power of 300,375,565 shares, which includes those 248,030,860 shares of common stock held of record, which each share of common stock has one vote per share, and those 3,489,647 shares of preferred stock held of record, which each share of preferred stock has fifteen votes per share thus representing 52,344,705 votes.

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Name and Address	Number of Common Shares Beneficially Owned Before Offering	Number of Preferred Shares Beneficially Owned Before Offering	Percentage of Total Voting Power Before Offering	Number of Common Shares Beneficially Owned After Offering	Number of Preferred Shares Beneficially Owned After Offering	Percentage of Total Voting Power After Offering (7)
Officers and Directors						
Michael L. Bagnoli 40 Redwood Court Lafayette, Indiana 47905	12,508,500(2)	-0-	4.16 %	12,508,500	(2) -0-	3.12 %
Martin Maassen 1340 Fawn Ridge Drive West Lafayette, Indiana 47906	10,829,624(3)	-0-	3.61 %	10,829,624	-0-	2.70 %
Gunther Than 1550 Caton Center Drive Suite E Baltimore, Maryland 21227	22,169,008(4)	2,089,647	17.82 %	22,169,008	(4) 2,089,647	13.37 %
Reid Miles 1550 Caton Center Drive, suite E Baltimore, Maryland 21227	11,166,667(5)	-0-	3.72 %	11,166,667	(5) -0-	2.79 %
All Directors and officers as a group (4 members)	56,673,399(6)	2,089,647	39.31 %	56,673,399	2,089,647	21.98 %
5% or Greater Shareholders						
John P. Holmes 36 Matinecock Farms Road Glen Cove NY 11542	-0-	1,400,000	6.99 %	-0-	1,400,000	5.24 %

(1) Percent of Shares Beneficially Owned represents percentage of overall equity calculated on total voting power of 300,375,565 shares, which includes those 248,030,860 shares of common stock held of record, which each share of common stock has one vote per share, and those 3,489,647 shares of preferred stock held of record, which each share of preferred stock has fifteen votes per share thus representing 52,344,705 votes.

- (2) Represents 12,507,125 common shares held by Mr. Bagnoli, 500 common shares held by his spouse and 875 common shares held by a trust.
- (3) Represents 10,000,249 common shares held by Mr. Maassen and his spouse and 829,375 common shares held by his spouse.
- (4) Represents 22,168,383 common shares held by Mr. Than and 625 common shares held by his spouse.
- (5) Of the 11,166,667 shares, 1,166,667 shares are held of record and 10,000,000 shares are represented by 10,000,000 Stock Options which are exercisable at the sole discretion of Mr. Miles into 10,000,000 shares of common stock at an exercise price of \$0.03 per share.
- (6) Of the 56,673,399 shares, 46,673,399 shares are held of record and 10,000,000 shares are represented by 10,000,000 Stock Options per above.
- (7) Assumes all 100,000,000 shares are sold in this Offering.

The above table reflects share ownership as of the most recent date. Each share of common stock has one vote per share on all matters submitted to a vote of our shareholders. We have one class of preferred stock, which we named "Series A." Each share of Series A preferred stock has the equivalent of fifteen votes per share of common stock and is entitled to vote on all matters. Accordingly, Mr. Than's preferred stock has the voting rights of, and is convertible into, 31,344,705 common shares in addition to his ownership and voting rights to 22,169,008 common shares.

TRANSACTIONS WITH RELATED PERSONS, PROMOTORS, AND CERTAIN CONTROL PERSONS AND CORPORATE GOVERNANCE.

We do not have a specific policy or procedure for the review, approval, or ratification of any transaction involving related persons. We historically have sought and obtained funding from officers, directors, and family members as these categories of persons are familiar with our management and often provide better terms and conditions than we can obtain from unassociated sources. Also, we are so small that having specific policies or procedures of this type would be unworkable.

In order for us to meet our financial obligations, our President, Gunther Than, loans us funds on occasion and is repaid when funds are available. During 2006 and 2005 Mr. Than advanced to us a total of \$0 and \$64,000, respectively. We have not repaid these advances so the balance due to Mr. Than remains at \$64,000.

A shareholder advanced cash on August 9, 2006 to us to help with short-term working capital needs in the aggregate amount of \$50,000 and was paid monthly interest payments of \$2,500 until February 28, 2007, at which point payments were halted after conversations with the lending shareholder.

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In October 2007, former director William D. Smith made an unsecured loan of \$116,000 with interest at 12% per year. The amount currently outstanding is \$116,000.

Mr. Burton-Prateley also received a total of 3,500,000 shares of our restricted common stock in May 2009 as partial payment for consulting services rendered to us between 2006 to approximately January 2009. The shares were sold prior to Mr. Burton-Prateley's December 2009 appointment as an officer ..

William Paul Price received 500,000 shares of our common stock in September 2009 as non-officer salary and also received 1,000,000 shares of our common stock in exchange for his interest in FiberXpress, Inc. a company acquired by View Systems, Inc. in September 2009. Mr. Price sold 493,498 shares prior to his December 2009 appointment as an officer.

Director Independence

Our board of directors currently consists of four members. Two of our directors, Messrs. Than and Price, are our officers and employees and therefore not independent. Our other two directors, Messrs. Maassen and Bagnoli, from time to time assist us by making loans or finding others to make loans to us. Each of them also own more than 10% of our Common Stock. Although we have no specific definition or policy of what an independent director is, we do not believe that any of our directors can be considered independent. We are not currently subject to any law, rule or regulation requiring that all or any portion of our board of directors include "independent" directors.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

While indemnification for liabilities under the Securities Act of 1933 would be permitted for actions taken in good faith by directors, officers, and employees pursuant to various provisions contained in our articles of incorporation, as amended and restated, and/or by our Bylaws, we have been advised that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the securities we are offering by this prospectus. This prospectus does not contain all of

the information included in the registration statement. For further information about us and our securities, you should refer to the registration statement and the exhibits and schedules filed with the registration statement. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are materially complete but may not include a description of all aspects of such contracts, agreements or other documents, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

We are subject to the disclosure and reporting requirements of the Exchange Act and file annual, quarterly, and current event reports, and other information with the SEC. We do not routinely deliver copies to stockholders of our annual reports to our shareholders. You can read our SEC filings, including our annual reports and our audited financial statements and the registration statement, over the Internet at the SEC's website at <http://www.sec.gov>.

The SEC's web site contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549 on official business days during the hours of 10 a.m. to 3 p.m. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

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VIEW SYSTEMS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014 AND 2013

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Systems, Inc. and Subsidiaries
 Consolidated Balance Sheets
 (Unaudited)

	March 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash	\$ 13,101	\$ 53,078
Accounts receivable	67,150	46,424
Inventory	10,954	24,109
Prepaid expenses	—	32,889
Total current assets	91,205	156,500
Property and Equipment (Net)	8,792	10,392
Other Assets		
Deposits	2,872	2,872
Total other assets	2,872	2,872
Total assets	\$ 102,869	\$ 169,764
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	\$ 504,689	\$ 357,803
Deferred compensation	180,395	124,190
Accrued and withheld payroll taxes payable	167,550	170,509
Accrued interest payable	50,625	43,125
Accrued royalties payable	225,000	225,000
Loans from stockholders	287,855	251,054
Notes payable	114,544	126,116
Deferred revenue	135,670	121,975
Total current liabilities	1,666,328	1,419,772
Long-Term Liabilities		
Long-term portion of notes payable	39,158	46,098
Total liabilities	1,705,486	1,465,870
Stockholders' Deficit		
Convertible preferred stock, authorized 10,000,000 shares, \$.001 par value, Issued and outstanding 3,489,647	3,490	3,490
Common stock, authorized 950,000,000 shares, \$.001 par value, Issued and outstanding 248,030,860	248,030	—
Issued and outstanding 222,399,749	—	222,399
Common stock issuable	16,000	538,720
Additional paid in capital	26,119,920	25,550,331
Accumulated deficit	(27,990,057)	(27,611,046)
Total stockholders' deficit	(1,602,617)	(1,296,106)
Total Liabilities and Stockholders' Deficit	\$ 102,869	\$ 169,764

See Notes to Consolidated Financial Statements

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View Systems, Inc. and Subsidiaries
 Consolidated Statements of Operations
 (Unaudited)

	For the Three Months Ended March 31,	
	2014	2013
Revenues		
Products sales and installation	\$53,917	\$320,741
Revenue from extended warranties	36,356	17,489
Total revenue	90,273	338,230
Cost of sales	19,071	197,490
Gross profit	71,202	140,740
Operating expenses		
General and administrative	60,576	55,859
Professional fees	280,737	89,386
Salaries and benefits	100,019	67,488
Total operating expenses	441,332	212,733
Loss from operations	(370,130)	(71,993)
Other income (expense)		
Stock compensation expense	—	(450,000)
Interest expense	(8,881)	(12,894)
Total other income (expense)	(8,881)	(462,894)
Net loss	\$(379,011)	\$(534,887)
Net loss per share (basic and diluted)	\$(0.00)	\$(0.00)
Weighted average shares outstanding (basic and diluted)	244,557,551	173,621,178

See Notes to Consolidated Financial Statements

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View Systems, Inc. and Subsidiaries
Consolidated Statements of Cash FlowsFor the Three Months
Ended
March 31,
2014 2013

Cash flows from operating activities:

Net loss	\$ (379,011)	\$ (534,887)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation	1,600	2,882
Common stock issued in payment of services	80,389	57,266
Stock option expense	—	450,000
Interest expense paid with debt	1,321	—

Change in operating assets and liabilities:

(Increase) decrease in cash from:		
Accounts receivable	(20,726)	(91,639)
Inventories	13,155	113,296
Increase (decrease) in cash from:		
Accounts payable and accrued expenses	146,886	(104,226)
Deferred compensation	56,205	36,670
Payroll taxes accrued and withheld	(2,959)	8,433
Accrued interest	7,500	10,980
Deferred revenue	13,695	(86,474)
Net cash used in operating activities	(81,945)	(137,699)

Cash flows from financing activities:

Proceeds from sales of common stock	25,000	35,000
Proceeds/payments from stockholders loans	29,040	16,861
Principal payments on notes payable	(12,072)	(7,446)
Net cash provided by financing activities	41,968	44,415

Decrease in cash	(39,977)	(93,284)
Cash at beginning of period	53,078	107,181
Cash at end of period	\$13,101	\$13,897

Cash paid for:

Interest	\$60	\$—
Income Taxes	\$—	\$—

Non-Cash Investing and Financing Activities:

Loans from stockholders paid with common stock	\$—	\$7,500
Issuance of common stock issuable	\$522,720	\$267,000
Notes payable paid by shareholder	\$6,440	—

See Notes to Consolidated Financial Statements

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2014

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

View Systems, Inc. (the “Company”) designs, develops and sells computer software and hardware used in conjunction with surveillance capabilities. The technology utilizes the compression and decompression of digital inputs. In March 2002, the Company acquired Milestone Technology, Inc., which has developed a concealed weapons detection portal. In July 2009, the Company acquired FiberXpress, Inc., which is a company that specializes in developing and selling equipment and components for the fiber optic and communication cable industries.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, FiberXpress, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates that were used.

Accounts Receivable

Accounts receivable consists of amounts due from customers. Management periodically reviews the open accounts and makes a determination as to the ultimate collectability of each account. Once it is determined that collection is in doubt the account is written off as a bad debt. In order to provide for accounts that may become uncollectible in the future, the Company has established an allowance for doubtful accounts. The balance of the allowance for doubtful accounts is based on management's judgment and the Company's prior experience with managing accounts receivable. The Company recognized bad debt expense of \$0 and \$0 for the periods ended March 31, 2014 and 2013, respectively. Management's determination that the remaining balance is collectible and therefore no allowance for possible uncollectible accounts receivable has been recorded for the period ended March 31, 2014 and for the year ended December 31, 2013.

Revenue Recognition

The Company has three main products, namely the concealed weapons detection system, the visual first responder system and the Viewmaxx digital video system. In all cases revenue is considered earned when the product is shipped to the customer, installed (if necessary) and accepted by the customer as a completed sale. The concealed weapons detection system and the digital video system each require installation and training. The customer can engage us for installation and training, which is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training and acceptance by the customer. However, the customer can also self-install or can engage another firm to provide installation and training. Each product has an unconditional 30 day warranty, during which time the product can be returned for a complete refund. Customers can purchase extended warranties, which provide for replacement or repair of the unit beyond the period provided by the unconditional warranty. Warranties can be purchased for various periods but generally they are for one year period that begins after any other warranties expire. The revenue from warranties is recognized on a straight line bases over the period covered by the warranty. Prior to the issuance of financial statements management reviews any returns subsequent to the end of the accounting period which are from sales recognized during the accounting period, and makes appropriate adjustments as necessary. Product prices are fixed or determinable and products are only shipped when collectability is reasonably assured.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in-first-out method (FIFO). As of March 31, 2014 and December 31, 2013 the Company's inventory consisted of assembled units as well as unassembled parts of products.

Property and Equipment

Property and equipment is recorded at cost and depreciated over their useful lives, using the straight-line and accelerated depreciation methods. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the results of operations. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Equipment M-7 years

Software tools K years

Depreciation expense for the periods ended March 31, 2014 and 2013 amounted to \$1,600 and \$2,882, respectively.

Stock-Based Compensation

We account for share-based compensation at fair value. Share-based compensation cost for stock options granted to employees, board members and service providers is determined at the grant date using an option pricing model that uses level 3 unobservable inputs. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period.

Income Taxes

Income taxes are recorded under the assets and liabilities method whereby deferred tax assets and liabilities are recognized for the future tax consequences, measured by enacted tax rates, attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the rate change becomes effective. Valuation allowances are recorded for deferred tax assets when it is more likely than not that such deferred tax assets will not be realized.

The Company files income tax returns in the U.S. federal jurisdictions, and in various state jurisdictions. The Company is no longer subject to U.S. federal, state and local examinations by tax authorities for years prior to 2009. The company policy is to recognize interest related to unrecognized tax benefits as income tax expense. The Company believes that it has appropriate support for the income tax positions it takes and expects to take on its tax returns, and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss available to common stockholder by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares and dilutive potential common share equivalents then outstanding. Potential common shares consist of shares issuable upon the exercise of stock options and warrants in addition to shares that may be issued in the event that convertible debt is exchanged for shares of common stock. The calculation of the net loss per share available to common stockholders for the periods ended March 31, 2014 and 2013 does not include potential shares of common stock equivalents, as their impact would be antidilutive.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

2. GOING CONCERN

The Company has incurred and continues to incur, losses from operations. For the periods ended March 31, 2014 and 2013, the Company incurred net losses of \$379,011 and \$534,887, respectively. In addition, certain notes payable have come due and the Company is in default.

Management is actively working to cure these situations and has implemented major plans for the future growth and development of the Company. Management is in the process of renegotiating more favorable repayment terms on the notes payable and the Company anticipates that these negotiations will result in extended payment plans. In addition, during 2014 and 2013, the Company implemented marketing and information strategies to increase public awareness of its products and thereby sales. It has established new international markets which it believes will be the source for sales growth in the very near future. It also was able to reduce the per-unit cost of manufacturing its products. Additionally, the Company has increased the efficiency of its processes and focused its development efforts on products that appear to have greater sales potential.

Historically, the Company has financed its operations primarily through private financing. It is management's intention to finance operations during the remainder of 2014 primarily through increased sales although there will still be a need for additional equity financing. In addition, management is actively seeking out mergers and acquisitions which would be beneficial to the future growth of the Company. There can be no assurance, however, that this financing will be successful and the Company may be required to further reduce expenses and scale back operations.

As previously noted the Company is currently in default on a \$50,000 loan from a stockholder.

The consolidated financial statements presented above and the accompanying Notes have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, and does not include any adjustments to reflect possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the outcome of any extraordinary regulatory action, which would affect our ability to continue as a going concern.

Due to the conditions and events discussed above, there is substantial doubt about the Company's ability to continue as a going concern.

3. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (“FASB”) periodically issues new accounting standards in a continuing effort to improve standards of financial accounting and reporting. The Company has reviewed the recently issued pronouncements and concluded that there are no new accounting standards are applicable to the Company.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

4. NOTES PAYABLE

Notes payable as of March 31, 2014 and December 31, 2013 consists of the following:

	March 31, 2014	December 31, 2013
Lafayette Community Bank		
A term loan secured by a stockholder, payable in monthly installments of \$2,587 commencing in December 25, 2009 but refinanced in May 2011. The loan is due in full on May 18, 2016. Interest accrues monthly at 7.5% per annum.	66,156	72,596
Stockholder		
Demand loan payable with interest at 5% per month. The loan is secured by the Company's accounts receivable. The note payable matured on December 17, 2009 at which the debt became due and payable and therefore the loan is currently in default.	50,000	50,000
Investor		
An unsecured loan from an investor, payable in monthly installments of \$5,000 commencing July 1, 2013 until paid in full. The loan bears no interest and is the amount due as a result of a settlement of the stock settlement payable mentioned below.	35,000	45,000
Chase		
A secured loan to finance the purchase of a truck, payable monthly in installments of \$533, which includes interest at 5.34% per annum.	2,546	4,618
TOTAL	\$153,702	\$172,214
Less current portion	114,544	126,116
Non-current portion	\$39,158	\$46,098

Principal payments for the next five years ending March 31:

2015	\$114,544
2016	29,093
2017	10,065
Thereafter	—
TOTAL	\$153,702

5. INCOME TAXES

For income tax purposes the Company has net operating loss carry forwards of \$26,158,000 as of December 31, 2013 that may be used to offset future taxable income. In the instance of future corporate acquisitions, the net operating losses may be used to offset the future taxable income of a qualifying subsidiary corporation which meets IRS regulations governing such situations. The losses have accumulated since 1998 and they will start to expire in 2018. IRS regulations also provide that significant changes in ownership (greater than 50%) could result in the expiration of some of the net operating loss carry forwards. As of the date of this report the Company has not made an analysis of the changes in ownership to determine if any of these losses have expired. Due to the continuous losses from operations the Company has assigned a full valuation allowance against its deferred tax assets.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

6. PREFERRED STOCK

In July 2005 the Company issued 7,171,725 shares of Series A Preferred Stock in payment of services. The issuance had been previously authorized by the Board of Directors. Each share of Series A Preferred Stock has a liquidation preference, in the event of liquidation of the corporation, of \$0.001 per share before any payment or distribution is made to the holders of common stock.

During 2008 the Board of Directors approved a reverse split of the stock in which one new share of preferred stock was issued in exchange for each 80 shares of stock outstanding. Accordingly, the total issued of preferred stock was adjusted from 7,171,725 shares to 89,647 shares. The par value and the total authorized shares did not change.

Effective in 2010 the initial issuance of preferred of Series A Preferred can be converted into common stock in the ratio of 15:1. During 2011 the Board of Directors authorized the issuance of an additional 1,400,000 shares of Series A Preferred Stock in payment of a loan from a shareholder in the amount of \$64,000 and also in payment of services in the amount of \$34,000. These additional shares can be converted to common stock in 2013. Each share is entitled to fifteen votes and shall be entitled to vote on any matters brought to a vote on the common stock shareholder.

During 2012 the Board of Directors authorized the issuance of an additional 1,500,000 shares of Series A Preferred Stock in payment of deferred compensation and current compensation of \$161,463.

During 2013 the Board of Directors authorized the issuance of an additional 500,000 shares of Series A Preferred Stock in payment of services of \$225,000.

7. OPERATING LEASE

The Company leases 3,600 sq. ft. of office and warehouse space at 1550 Caton Center Drive, Suites D and E, Baltimore, Maryland, under a non-cancellable operating lease which expires in December 2014. The original base rent was \$3,077 per month with a 3% annual rent escalator clause. The current monthly rent is \$3,464. Rent expense, which includes the Caton Center property as well as some other short-term leases, was \$10,477 and \$13,145 for the periods ended March 31, 2014 and 2013, respectively.

8. STOCK BASED COMPENSATION

During the periods ended March 31, 2014 and 2013 the Company issued stock in payment of services and debts as follows:

For the three month period ended March 31, 2014 the Board authorized the issuance of 2,000,000 shares of common stock in payment of services amounting to \$47,500. In addition, 23,631,111 shares were issued during 2014 for stock shown as issuable as of December 31, 2013.

For the three month period ended March 31, 2013, 1,000,000 shares of common stock were issued in payment of services in the amount of \$30,000. In addition, 1,500,00 shares were issued in payment of loans in the amount \$7,500. In both instances, although authorized prior to March 31, 2013, the shares were not issued until April 2013.

Independent contractors and consultants' expense was based on the value of services rendered or the value of the common stock issued, if more reliably determined.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

Stock Options and Warrants

On April 2, 2010, the Company adopted its 2010 Equity Incentive Plan, which authorized, among other forms of incentives, the issuance of stock options. Reserved for equity issuances under the 2010 Equity Incentive Plan are 50,000,000 shares of our common stock. No equity issuances have been made from the 2010 Equity Incentive Plan. Stock options, which may be tax qualified and non-qualified, are exercisable for a period of up to ten years at prices at or above market prices as established on the date of the grant.

Stock Options

Certain nonqualified stock options were issued during the period ended March 31, 2013 to a member of the board of directors as compensation for services performed.

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at January 1, 2014	10,000,000	\$0.03	4.14	\$—
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	—	—
Outstanding	10,000,000	\$0.03	3.88	\$—
Exercisable	10,000,000	\$0.03	3.88	\$—

The Company uses the Black-Scholes option pricing model to calculate the fair value of options.

9. RELATED PARTY TRANSACTIONS

During the periods reflected on this report certain shareholders made cash advances to the Company to help with short-term working capital needs. The net proceeds from stockholders with unstructured payment plans amounted to \$29,040 and \$31,806 for the period ended March 31, 2014 and for the year ended December 31, 2013, respectively.

The total balance due on unstructured loans from shareholders amount to \$287,855 and \$251,054 at March 31, 2014 and December 31, 2013, respectively. Loans from stockholders made with repayment terms are included in Notes Payable and described above.

Also, please see Note 13 regarding a contingent liability payable to the Company's CEO in the case of an occurrence of certain events relating to a significant change of control.

During the period ended March 31, 2014 and Board member accrued fees for professional services to the Company in the amount of \$45,000 which were paid subsequent to March 31, 2014.

During the year ended December 31, 2013 a Board member provided professional services to the Company for which he was paid \$25,000 in cash and awarded 7,113,333 shares of common stock with a value of \$173,500. Of the total shares 1,680,000 were issued subsequent to December 31, 2013 and are reflected on the financial statements as issuable common stock.

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

10. STOCK SETTLEMENT IN PROCESS

During 2006 the Company negotiated a loan from an individual in the amount of \$100,000. Under the terms of the loan it was to be repaid in full within one year together with interest at the rate of 15% per annum. The Company was unable to pay the loan when due and under the threat of litigation the note holder was given 3,500,000 shares of common stock. The stock was issued on January 28, 2010. At that time the principal, accrued interest and legal fees amounted to \$163,366. Under the terms of a court ordered stipulation agreement if the note holder was unable to liquidate the stock in full payment of the stipulated amount then the Company would be obligated to issue more stock to him to make up for the shortage. As a part of the agreement the note holder is required to account for proceeds realized from the sales of stock.

During the year ended December 31, 2011 \$38,788 was levied against the Company's bank accounts as a result of a legal action brought to force collection of the balance. The note holder's contention was that stock sales had fallen well short of the balance due and thus he was due to be paid. While the Company had a complaint that they had not been provided with any information regarding sales of stock, management was unable to stave off the forced levy. As a result of the levy the debt balance as of December 31, 2011 was reduced to \$124,578.

Subsequent to June 30, 2013 the note holder reported that he had sold all of the 3,500,000 shares of the common stock noted above. After giving effect to those proceeds, and the note holder and the Company agreed to settle the remaining debt for \$75,000. As a result, the Company has agreed to make monthly payments of \$5,000, commencing in July 2013, until the debt is paid in full. The agreement provides that there is no interest due on this debt. As of March 31, 2014 the balance due on this agreement was \$35,000 and an additional \$5,000 payment was made April 1, 2014.

11. CHANGE TO PRIOR FINANCIAL STATEMENT

During 2013 it was noticed that the par value of preferred stock had been incorrectly reported as \$0.01 per share while the correct par value was \$0.001 per share. Accordingly, an adjustment was made to decrease the total par value of preferred stock issued and increase additional paid in capital in the amount of \$26,907. This adjustment had no effect on previously reported results of operations and also had no effect on the carrying value or historical costs of any assets or liabilities.

12. CONTINGENT LIABILITIES

Effective January 1, 2014 the Board of Directors authorized a new employment contract with Gunther Than, CEO of View Systems, Inc. That employment contract provides that in the event of a change in control of the Board of Directors or a buyout or a takeover or a substantial change of management structure Mr. Than will receive a minimum of three year's salary plus 4.8 million shares of unrestricted stock or the equivalent in cash at Mr. Than's direction. Mr. Than's base salary is \$240,000 per annum.

13. RECLASSIFICATIONS

Certain items presented for the prior period have been reclassified to conform to the current period presentation.

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VIEW SYSTEMS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

C O N T E N T S

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
View Systems, Inc. and Subsidiary
Baltimore, Maryland

We have audited the accompanying consolidated balance sheets of View Systems, Inc. and Subsidiary (the “Company”) as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in stockholders’ deficit, and cash flows for each of the years then ended. The Company’s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred significant losses from operations in recent years and currently has negative working capital. Additionally, the Company is in default, on a number of covenants relating to outstanding debt agreements. These conditions raise substantial doubt about its ability to continue as a going concern. Management’s plans regarding those matters also are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Baltimore, Maryland

April 14, 2014

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View Systems, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2013 and 2012

	2013	2012
<u>ASSETS</u>		
Current Assets		
Cash	\$53,078	\$107,181
Accounts receivable	46,424	41,675
Inventory	24,109	142,065
Prepaid expenses	32,889	109,062
Total current assets	156,500	399,983
Property and Equipment (Net)	10,392	16,150
Other Assets		
Prepaid expenses (non-current portion)	—	27,266
Deposits	2,872	2,872
Total other assets	2,872	30,138
Total assets	\$169,764	\$446,271
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$357,803	\$681,197
Deferred compensation	124,190	28,102
Accrued and withheld payroll taxes payable	170,509	155,886
Accrued interest payable	43,125	54,885
Accrued royalties payable	225,000	225,000
Loans from stockholders	251,054	199,173
Notes payable	126,116	197,058
Stock settlement payable	—	124,578
Deferred revenue	121,975	215,976
Total current liabilities	1,419,772	1,881,855
Long-Term Liabilities		
Long-term portion of notes payable	46,098	76,231
Total liabilities	1,465,870	1,958,086

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**View
Systems,
Inc. and
Subsidiaries**
Consolidated
Balance
Sheets
December
31, 2013 and
2012
(Continued)

	2013	2014
Stockholders' Deficit		
Convertible preferred stock, authorized 10,000,000 shares, \$.001 par value, Issued and outstanding 3,489,647	3,490	—
Issued and outstanding 2,989,647	—	2,990
Common stock, authorized 950,000,000 shares, \$.001 par value, Issued and outstanding 222,399,749	222,399	—
Issued and outstanding 170,421,178	—	170,421
Stock settlement in process	—	(124,578)
Common stock issuable	538,720	267,000
Additional paid in capital	25,550,331	23,775,297
Accumulated deficit	(27,611,046)	(25,602,945)
Total stockholders' deficit	(1,296,106)	(1,511,815)
Total Liabilities and Stockholders' Deficit	\$169,764	\$446,271

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View Systems, Inc. and Subsidiaries
Consolidated Statements of Operations

	For the Years Ended December 31,	
	2013	2012
Revenues		
Products sales and installation	\$460,653	\$745,852
Revenue from extended warranties	90,040	104,604
Total revenue	550,693	850,456
Cost of sales	317,242	420,543
Gross profit	233,451	429,913
Operating expenses		
General and administrative	341,390	361,393
Professional fees	1,037,204	623,352
Salaries and benefits	368,555	312,180
Total operating expenses	1,747,149	1,296,925
Loss from operations	(1,513,698)	(867,012)
Other income (expense)		
Gain from on renegotiated debt	43,561	41,010
Stock-based compensation expense	(450,000)	—
Bad debt	(7,848)	
Interest expense	(80,116)	(62,020)
Total other income (expense)	(494,403)	(21,010)
Net loss	\$(2,008,101)	\$(888,022)
Net loss per share (basic and diluted)	\$(0.01)	\$(0.01)
Weighted average shares outstanding (basic and diluted)	194,843,005	157,505,068

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View Systems, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Deficit (Unaudited)
For the Years Ended December 31, 2013 and 2012

	Shares	Amount	Common Stock Shares	Amount	Issuable	Stock Settlement in Process- Note 13	Additional Paid-in Capital	Accumulated (Deficit)
Balance, December 31, 2011	1,489,647	\$1,490	131,179,400	\$131,179	\$—	\$(124,578)	\$22,820,075	\$(24,714,923)
Common stock issued for cash	—	—	16,152,778	16,153	—	—	306,347	—
Common stock issued in payment of services, accounts payable, deferred compensation and accrued interest	—	—	23,089,000	23,089	—	—	488,912	—
Preferred shares issued in payment of services and accounts payable	1,500,000	1,500	—	—	—	—	159,963	—
Common stock issuable (12,000,000 shares)	—	—	—	—	267,000	—	—	—
Net loss for the period ended December 31, 2012	—	—	—	—	—	—	—	(888,022)
Balance, December 31,	2,989,647	2,990	170,421,178	170,421	267,000	(124,578)	23,775,297	(25,602,945)

2012

Issuance of prior period issuable stock	—	—	12,000,000	12,000	(267,000)	—	255,000	—
Common stock issued for cash	—	—	20,866,667	20,867	—	—	497,133	—
Common stock issued for services	—	—	13,111,904	13,111	—	—	314,889	—
Common stock issued in payment of shareholder loans	—	—	1,500,000	1,500	—	—	6,000	—
Common stock issued in payment of accounts payable	—	—	4,500,000	4,500	—	—	86,400	—

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**View
Systems, Inc.
and
Subsidiaries**
Consolidated
Statements of
Stockholders'
Deficit
(Unaudited)
For the Years
Ended
December 31,
2013 and
2012
(Continued)

	Shares	Amount	Common Stock		Issuable	Stock Settlement in Process Note 13	Additional Paid-in Capital	Accumulated (Deficit)
			Shares	Amount				
Preferred stock issued for services	500,000	500	—	—	—	—	224,500	—
Stock compensation	—	—	—	—	—	—	450,000	—
Stock settlement	—	—	—	—	—	124,578	(58,888)	—
Common stock issuable (23,371,111 shares)	—	—	—	—	538,720	—	—	—
Net loss for the period ended December 31, 2013	—	—	—	—	—	—	—	(2,008,101)
Balance, December 31, 2013	3,489,647	\$3,490	222,399,749	\$222,399	\$538,720	\$—	\$25,550,331	\$(27,611,046)

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View Systems, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	For the Years Ended December 31,	
	2013	2012
Cash flows from operating activities:		
Net loss	\$(2,008,101)	\$(888,022)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation	12,597	14,976
Common stock issued/issuable in payment of services	585,438	479,396
Preferred stock issued in payment of services	225,000	44,297
Stock option expense	450,000	—
Bad debt	7,848	
(Gain) loss from renegotiated debt	(43,561)	(41,010)
Interest expense paid with stock	16,133	15,000
Change in operating assets and liabilities:		
(Increase) decrease in cash from:		
Accounts receivable	(12,597)	36,547
Inventories	117,956	19,284
Prepaid expenses	—	29,100
Increase (decrease) in cash from:		
Accounts payable and accrued expenses	(188,953)	211,811
Deferred compensation	96,088	(47,411)
Payroll taxes accrued and withheld	14,623	18,490
Accrued interest	36,960	27,045
Deferred revenue	(94,001)	(182,102)
Net cash used in operating activities	(784,570)	(262,599)
Cash flows from investing activities:		
Additions to fixed assets	(6,839)	—
Cash flows from financing activities:		
Proceeds from sales of common stock	518,000	322,500
Proceeds from issuable common stock	217,500	—
Proceeds/payments from stockholders loans	31,806	49,006
Principal payments on notes payable	(30,000)	(30,767)
Net cash provided by financing activities	737,306	340,739
(Decrease) increase in cash	(54,103)	78,140
Cash at beginning of period	107,181	29,041
Cash at end of period	\$53,078	\$107,181

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View Systems, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

	For the Years Ended December 31,	
	2013	2012
Cash paid for:		
Interest	\$910	\$680
Income Taxes	\$—	\$—
Non-Cash Investing and Financing Activities:		
Notes payable paid down with common stock issuable	\$111,000	\$—
Accrued interest paid with issuable common stock	\$48,720	\$60,000
Loans from stockholders paid with common stock	\$17,500	\$15,000
Accounts payable and accrued expense paid with common stock	\$90,900	\$137,001
Accounts payable paid with issuable stock	\$—	\$10,104
Stock settlement payable	\$124,578	\$—
Issuance of common stock issuable	\$267,000	\$—
Notes payable paid by shareholder	\$35,075	\$—
Common stock issued for prepayment of services	\$20,000	\$285,000
Preferred stock issued for prepayment of services	\$—	\$118,125
Deferred compensation paid with common stock	\$—	\$43,338

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VIEW SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

View Systems, Inc. (the “Company”) designs, develops and sells computer software and hardware used in conjunction with surveillance capabilities. The technology utilizes the compression and decompression of digital inputs. In March 2002, the Company acquired Milestone Technology, Inc., which has developed a concealed weapons detection portal. In July 2009, the Company acquired FibreXpress, Inc., which is a company that specializes in developing and selling equipment and components for the fiber optic and communication cable industries.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Milestone Technology, Inc. and FibreXpress, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and

expenses. Actual results could differ from the estimates that were used.

Accounts Receivable

Accounts receivable consists of amounts due from customers. Management periodically reviews the open accounts and makes a determination as to the ultimate collectability of each account. Once it is determined that collection is in doubt the account is written off as a bad debt. In order to provide for accounts that may become uncollectible in the future, the Company has established an allowance for doubtful accounts. The balance of the allowance for doubtful accounts is based on management's judgment and the Company's prior experience with managing accounts receivable.

The Company recognized bad debt expense of \$7,848 and \$0 for the years ended December 31, 2013 and 2012, respectively. Management's determination is that the remaining balance is collectible and therefore no allowance for possible uncollectible accounts receivable has been recorded for the years ended December 31, 2013 and 2012, respectively.

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Revenue Recognition

The Company has three main products, namely the concealed weapons detection system, the visual first responder system and the Viewmaxx digital video system. In all cases revenue is considered earned when the product is shipped to the customer, installed (if necessary) and accepted by the customer as a completed sale. The concealed weapons detection system and the digital video system each require installation and training. The customer can engage us for installation and training, which is a revenue source separate and apart from the sale of the product. In those cases revenue is recognized at the completion of the installation and training and acceptance by the customer. However, the customer can also self-install or can engage another firm to provide installation and training. Each product has an unconditional 30 day warranty, during which time the product can be returned for a complete refund. Customers can purchase extended warranties, which provide for replacement or repair of the unit beyond the period provided by the unconditional warranty. Warranties can be purchased for various periods but generally they are for one year period that begins after any other warranties expire. The revenue from warranties is recognized on a straight line bases over the period covered by the warranty. Prior to the issuance of financial statements management reviews any returns subsequent to the end of the accounting period which are from sales recognized during the accounting period, and makes appropriate adjustments as necessary. Product prices are fixed or determinable and products are only shipped when collectability is reasonably assured.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the last-in-first-out method (LIFO). As of December 31, 2013 and 2012 the Company's inventory consisted of a number of assembled units as well as unassembled parts of the product.

Property and Equipment

Property and equipment is recorded at cost and depreciated over their useful lives, using the straight-line and accelerated depreciation methods. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the results of operations. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Equipment	5-7 years
Software tools	3 years

Repairs and maintenance charges which do not increase the useful lives of assets are charged to operations as incurred. Depreciation expense for the periods ended December 31, 2013 and 2012 amounted to \$12,597 and \$14,976,

respectively.

Income Taxes

Income taxes are recorded under the assets and liabilities method whereby deferred tax assets and liabilities are recognized for the future tax consequences, measured by enacted tax rates, attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the rate change becomes effective. Valuation allowances are recorded for deferred tax assets when it is more likely than not that such deferred tax assets will not be realized.

The Company files income tax returns in the U.S. federal jurisdictions, and in various state jurisdictions. The Company is no longer subject to U.S. federal, state and local examinations by tax authorities for years prior to 2010. The company policy is to recognize interest related to unrecognized tax benefits as income tax expense. The Company believes that it has appropriate support for the income tax positions it takes and expects to take on its tax returns, and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter.

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Research and Development

Research and development costs are expensed as incurred.

Advertising

Advertising costs are charged to operations as incurred. Advertising costs for the periods ended December 31, 2013 and 2012 were \$11,497 and \$10,808, respectively.

Nonmonetary Transactions

Nonmonetary transactions are accounted for in accordance with ASC 845 “Nonmonetary Transactions” which requires the transfer or distribution of a nonmonetary asset or liability to be based generally, on the fair value of the asset or liability that is received or surrendered, whichever is more clearly evident.

Financial Instruments

For most financial instruments, including cash, accounts receivable, accounts payable and accruals, management believes that the carrying amount approximates fair value, as the majority of these instruments are short-term in nature.

Stock-Based Compensation

We account for share-based compensation at fair value. Share-based compensation cost for stock options granted to employees, board members and service providers is determined at the grant date using an option pricing model that uses level 3 unobservable inputs. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss available to common stockholder by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares and dilutive potential common share equivalents then outstanding. Potential common shares consist of shares issuable upon the exercise of stock options and warrants in addition to shares that may be issued in the event that convertible debt is exchanged for shares of common stock. The calculation of the net loss per share available to common stockholders for the periods ended December 31, 2013 and 2012 does not include potential shares of common stock equivalents, as their impact would be antidilutive. The following reconciles amounts reported in the financial statements:

	Net Loss (Numerator)	Shares (Denominator)	Per-share Amount
Year ended December 31, 2013	\$(2,008,101)	\$194,843,005	\$(0.01)
Year ended December 31, 2012	\$(888,022)	\$157,505,608	\$(0.01)

2. GOING CONCERN

The Company has incurred and continues to incur, losses from operations. For the years ended December 31, 2013 and 2012, the Company incurred net losses of \$2,008,101 and \$888,022, respectively. In addition, certain notes payable have come due and the note holders are demanding payment.

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Management is very actively working to cure these situations. It has implemented major plans to for the future growth and development of the Company. Management is in the process of renegotiating more favorable repayment terms on the notes payable and the Company anticipates that these negotiations will result in extended payment plans. In addition, during 2013 and 2012, the Company implemented marketing and information strategies to increase public awareness of its products and thereby sales. It has established new international markets which it believes will be the source for sales growth in the very near future. It also was able to reduce the per-unit cost of manufacturing its products. Additionally, the Company has increased the efficiency of its processes and focused its development efforts on products that appear to have greater sales potential.

Historically, the Company has financed its operations primarily through private financing. It is management's intention to finance operations during the remainder of 2014 primarily through increased sales although there will still be a need for additional equity financing. In addition, management is actively seeking out mergers and acquisitions which would be beneficial to the future growth of the Company. There can be no assurance, however, that this financing will be successful and the Company may be required to further reduce expenses and scale back operations.

As previously noted the Company is currently in default on a \$50,000 loan from a stockholder.

The consolidated financial statements presented above and the accompanying Notes have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, and does not include any adjustments to reflect possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the outcome of any extraordinary regulatory action, which would affect our ability to continue as a going concern.

Due to the conditions and events discussed above, there is substantial doubt about the Company's ability to continue as a going concern.

3. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") periodically issues new accounting standards in a continuing effort to improve standards of financial accounting and reporting. The Company has reviewed the recently issued pronouncements and concluded that there are no new accounting standards are applicable to the Company.

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4. NOTES PAYABLE

Notes payable as of December 31, 2013 and December 31, 2012 consists of the following:

	2013	2012
Stockholder		
An unsecured loan from a stockholder which is payable on demand with interest at 12%. The note was dated November 1, 2007 and the note matures and the principal is payable upon the demand of the lender. The note was paid in full during 2013 primarily through the issuance of common stock issuable.	\$—	\$116,000
Investor		
An unsecured loan from an investor, payable in monthly installments of \$5,000 commencing July 1, 2013 until paid in full. The loan bears no interest and is the amount due as a result of a settlement of the stock settlement payable mentioned below.	45,000	—
Lafayette Community Bank		
A term loan secured by a stockholder, payable in monthly installments of \$2,587 commencing in December 25, 2009 but refinanced in May 2011. The loan is due in full on May 18, 2016 and interest accrues monthly at 7.5% per annum.	72,596	97,185
Stockholder		
Demand loan payable with interest at 5% per month dated September 18, 2009. The loan is secured by the Company's accounts receivable. The note was payable in full on December 17, 2009 so this debt is currently in default.	50,000	50,000
Chase		
Equipment loan to finance the purchases of a truck, payable monthly in installments of \$533, which include interest at 5.34% per annum.	4,618	10,104
TOTAL	172,214	273,289
Less current portion	126,116	197,058
Non-current portion	\$46,098	\$76,231

Principal payments for the next five years:

2014	\$126,116
2015	28,555
2016	17,543
Thereafter	—

TOTAL \$172,214

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5. INCOME TAXES

For income tax purposes the Company has net operating loss carry forwards of approximately \$20 million as of December 31, 2013 that may be used to offset future taxable income. In the instance of future corporate acquisitions, the net operating losses may be used to offset the future taxable income of a qualifying subsidiary corporation which meets IRS regulations governing such situations. The losses have accumulated since 1998 and they will start to expire in 2018. IRS regulations also provide that significant changes in ownership (greater than 50%) could result in the expiration of some of the net operating loss carry forwards. As of the date of this report the Company has not made an analysis of the changes in ownership to determine if any of these losses have expired.

The components of the net deferred tax asset as of December 31, 2013 are as follows:

Effect of net operating loss carry forward	\$ 10,986,000
Less evaluation allowance	(10,986,000)
Net deferred tax asset	\$—

The components of income tax expense (benefit) are as follows:

	Year ended	
	December	December
	31	31
	2013	2012
Net loss per financial statements which approximates net loss per income tax returns	\$ (2,008,101)	\$ (88,022)
Income tax expense (benefit) applying prevailing Federal and state income tax rates	(843,400)	(373,000)
Less valuation allowance	843,400	373,000
Net income tax expense	\$—	\$—

Net income tax benefit is not recognized at this time because there is no reasonable expectation that the benefit will be realized in the future.

The Company has adopted accounting rules that prescribe when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected on its income tax returns. These new rules require

management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than fifty percent (50%) probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. Should any such penalties and interest be incurred, the Company's policy would be to recognize them as operating expenses.

Due to continuous losses from operations the Company has assigned a full valuation allowance against its deferred tax assets.

6. CONVERTIBLE PREFERRED STOCK

In July 2005 the Company issued 7,171,725 shares of Series A Preferred Stock in payment of services. The issuance had been previously authorized by the Board of Directors. Each share of Series A Preferred Stock has a liquidation preference, in the event of liquidation of the corporation, of \$0.001 per share before any payment or distribution is made to the holders of common stock.

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During 2008 the Board of Directors approved a reverse split of the stock in which one new share of preferred stock was issued in exchange for each 80 shares of stock outstanding. Accordingly, the total issued of preferred stock was adjusted from 7,171,725 shares to 89,647 shares. The par value and the total authorized shares did not change.

Effective in 2010 the initial issuance of preferred of Series A Preferred can be converted into common stock in the ratio of 15:1. During 2011 the Board of Directors authorized the issuance of an additional 1,400,000 shares of Series A Preferred Stock in payment of a loan from a shareholder in the amount of \$64,000 and also in payment of services in the amount of \$34,000. These additional shares can be converted to common stock in 2013. Each share is entitled to fifteen votes and shall be entitled to vote on any matters brought to a vote on the common stock shareholder.

During 2012 the Board of Directors authorized the issuance of an additional 1,500,000 shares of Series A Preferred Stock in payment of deferred compensation and current compensation in the amount of \$161,463.

During 2013 the Board of Directors authorized the issuance of an additional 500,000 shares of Series A Preferred Stock in payment of professional services in the amount of \$225,000.

7. OPERATING LEASE

The Company leases 3,600 sq. ft. of office and warehouse space at 1550 Caton Center Drive, Suites D and E, Baltimore, Maryland, under a non-cancellable operating lease which expires in December 2014. The original base rent was \$3,077 per month with a 3% annual rent escalator clause. The current monthly rent is \$3,464. Rent expense, which includes the Caton Center property as well as some other short-term leases, was \$44,652 and \$45,941 for the periods ended December 31, 2013 and 2012, respectively.

8. STOCK BASED COMPENSATION

During the periods ended December 31, 2012 and 2011 the Company granted restricted stock to independent contractors and consultants for payment of services.

On April 2, 2010 the Company adopted its 2010 Equity Incentive Plan. Reserved for equity issuances under the Equity Incentive Plan are 50,000,000 shares of our common stock. During 2011 14,116,433 shares of common stock were issued under the provisions of the 2010 Equity Incentive Plan for which \$92,065 of expenses were recognized.

On June 1, 2010 the Company adopted its 2010 Service Provider Stock Compensation Plan. Reserved for equity issuances under the Service Provider Stock Compensation Plan are 50,000,000 shares of our common stock. No equity issuances were made during the reporting period from the 2010 Service Provider Stock Compensation Plan.

During 2013 and 2012, the Company issued the following compensatory shares outside of its existing Stock Option and Restricted Share Plans at the discretion of the Board of Directors:

For the year ended December 31, 2013 13,111,904 shares of common stock were issued in payment of expenses and prepaid expenses amounting to \$328,000.

For the year ended December 31, 2012 14,250,000 shares of common stock were issued in payment of expenses and prepaid expenses amounting to \$285,000.

For the year ended December 31, 2012 1,500,000 shares of preferred stock were issued in payment of expenses and liabilities amounting to \$161,463.

In addition, 4,500,000 shares of common stock were issued during 2013 in payment of accounts payable of \$90,900 and another 1,500,000 shares of common stock were issued in payment of notes payable of \$7,500.

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In addition, shares of common stock were issued in 2012 in payment of accounts payable amounting to \$28,500, in payment of accrued compensation of \$108,501, in payment of notes payable of \$15,000 and accrued interest of \$75,000.

Independent contractors and consultants' expense was based on the estimated value of services rendered or the value of the common stock issued, if more reliably determined.

Stock Options and Warrants

On April 2, 2010, the Company adopted its 2010 Equity Incentive Plan, which authorized, among other forms of incentives, the issuance of stock options. Reserved for equity issuances under the 2010 Equity Incentive Plan are 50,000,000 shares of our common stock. No equity issuances have been made from the 2010 Equity Incentive Plan. Stock options, which may be tax qualified and non-qualified, are exercisable for a period of up to ten years at prices at or above market prices as established on the date of the grant.

Stock Options

Certain nonqualified stock options were issued during the year ended December 31, 2013 to a member of the board of directors as compensation for services performed.

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at January 1, 2013	—	\$ —	—	\$ —
Granted	15,000,000	\$ 0.03	4.14	\$ —
Exercised	—	\$ —	—	\$ —
Forfeited	(5,000,000)	\$ —	—	\$ —
Outstanding at December 31, 2013	10,000,000	\$ 0.03	4.14	\$ —
Exercisable at December 31, 2013	10,000,000	\$ 0.03	4.14	\$ —

The Company uses the Black-Scholes option pricing model to calculate the fair value of options. Significant assumptions used in this model include:

	Year ended	
	December	December
	31	31
	2013	2012

Annual Dividend	—	NA
Expected Life (in years)	5	NA
Risk Free Interest Rate	0.78 %	NA
Expected Volatility	325.25 %	NA

The 10,000,000 options granted for the year ended December 31, 2013 had a weighted average grant date fair value of \$0.03.

9. RELATED PARTY TRANSACTIONS

During the periods reflected on this report certain shareholders made cash advances to the Company to help with short-term working capital needs. The net proceeds from stockholders with unstructured payment plans amounted to \$31,806 and 49,006 for the years ended December 31, 2013 and 2012, respectively. The total balance due on unstructured loans from shareholders amounted to \$251,054 and \$199,173 at December 31, 2013 and 2012, respectively. Loans from stockholders made with repayment terms are described in Note 4 above.

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During the year ended December 31, 2013 a Board member provided professional services to the Company for which he was paid \$25,000 in cash and awarded 7,113,333 shares of common stock with a value of \$173,500. Of the total shares 1,680,000 were issued subsequent to December 31, 2013 and are reflected on the financial statements as issuable common stock.

During the year ended December 31, 2012 the Company's Chief Executive Officer was issued 1,000,000 shares of convertible preferred stock as a payment for compensation accrued during 2012 and 2011 in the amount of \$43,338. He was also issued 1,839,000 shares of common stock as a payment for compensation accrued during 2011 and 2012 in the amount of \$108,501. In addition, in December 2012 the Board of Directors authorized the issuance of 8,000,000 shares of common stock to the Chief Executive Officer as payment for compensation accrued during 2011 and 2012 in the amount of \$160,000. These shares were issued subsequent to December 31, 2012 and are reflected on the financial statements as issuable common stock.

10. STOCK SETTLEMENT IN PROCESS

During 2006 the Company negotiated a loan from an individual in the amount of \$100,000. Under the terms of the loan it was to be repaid in full within one year together with interest at the rate of 15% per annum. The Company was unable to pay the loan when due and under the threat of litigation the note holder was given 3,500,000 shares of common stock. The stock was issued on January 28, 2010. At that time the principal, accrued interest and legal fees amounted to \$163,366. Under the terms of a court ordered stipulation agreement if the note holder was unable to liquidate the stock in full payment of the stipulated amount then the Company would be obligated to issue more stock to him to make up for the shortage. As a part of the agreement the note holder is required to account for proceeds realized from the sales of stock. The note holder has yet to report any stock sales so this settlement is considered to be in process.

During the year ended December 31, 2011 \$38,788 was levied against the Company's bank accounts as a result of a legal action brought to force collection of the balance. The note holder's contention was that stock sales had fallen well short of the balance due and thus he was due to be paid. While the Company had a complaint that they had not been provided with any information regarding sales of stock management was unable to stave off the forced levy. As a result of the levy the debt balance as of December 31, 2011 was reduced to \$124,578.

Subsequent to June 30, 2013 the note holder reported that he had sold all of the 3,500,000 shares of the common stock noted above. After giving effect to those proceeds, and the note holder and the Company agreed to settle the remaining debt for \$75,000. As a result, the Company has agreed to make monthly payments of \$5,000, commencing in July 2013, until the debt is paid in full. The agreement provides that there is no interest due on this debt. As of December 31, 2013 the balance due on this agreement was \$45,000.

11. ISSUABLE COMMON STOCK

During 2013 the Board of Directors authorized the issuance of 23,371,111 shares of common stock that were not issued until after December 31, 2013. These authorizations were 11,911,111 shares for \$217,500 of cash, 6,660,000 shares of common stock in payment of services amounting to \$121,500, 1,400,000 shares of common stock in payment of accounts payable of \$30,000 and 3,400,000 shares in payment of notes payable and accrued interest of \$169,720.

During December 2012 the Board of Directors authorized the issuance of 12,000,000 shares of common stock in payment of services in the amount of \$267,000. The certificates were issued subsequent to December 31, 2012.

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12. JOINT VENTURE PROFIT SHARING

During 2011 the Company entered into an agreement with CRA, Inc. regarding a sale of 60 scanners to a municipal school system. Under the terms of the deal CRA, Inc. purchased all of the materials and paid substantially all of the cost, View Systems, Inc. assembled the products, shipped the scanners for installation and billed the school system. The terms of the agreement provide that each party is to share equally in the profits. As of December 31, 2012 the Company has estimated that it owed CRA \$63,561 which is CRA's share on the profit is reflected on the financial statements as a component of cost of sales. However, since the project was not completed as of December 31, 2012 the ultimate calculation of profit could be made until the job is considered completed. During 2013 the parties agreed to settle the debt for \$20,000 which was paid in full prior to December 31, 2013.

13. CONCENTRATIONS

During the years ended December 31, 2013 and 2012 the Company received 47% and 22% of its product sales revenue for a single state municipal agency. The contract with this agency was completed during 2013.

14. SUBSEQUENT EVENT

On March 10, 2014 the Company filed a Form S-1 with the SEC the purpose of which is to allow the Company to sell up to 100,000,000 shares of common stock directly to the public at a stated price of \$0.04 per share. The funds raised by this offering will be used to reduce debt and provide working capital. The Form S-1 is pending approval by the SEC which will take at least 30 days from the date filed.

15. CHANGE TO PRIOR FINANCIAL STATEMENT

During 2013 it was noticed that the par value of preferred stock had been incorrectly reported as \$0.01 per share while the correct par value was \$0.001 per share. Accordingly, an adjustment was made to decrease the total par value of preferred stock issued and increase additional paid in capital in the amount of \$26,907. The adjustment is reflected in beginning balances of preferred stock and additional paid-in-capital as of December 31, 2011. This adjustment had no effect on previously reported results of operations and also had no effect on the carrying value or historical costs of any assets or liabilities.

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PROSPECTUS

A Total of 106,000,000, Shares of Common Stock Offered for Sale

100,000,000 Shares Offered at \$0.04 Per Share by the Company

6,000,000 Shares Offered at Market Price by a Selling Shareholder

DEALER PROSPECTUS DELIVERY OBLIGATION

Until _____, 2014, all dealers that effect transactions in these securities, whether or not participating in the offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

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PART II – INFORMATION NOT REQUIRED IN PROSPECTUS**ITEM 13.****OTHER EXPENSES OF DISTRIBUTION**

The following table sets forth the costs and expenses, other than underwriting discounts and commission, paid or to be paid by the registrant in connection with the sale of the Shares of Common Stock being registered hereby. All amounts shown, except the Securities and Exchange Commission registration fee, are estimates.

Expense	Amount
	*
Registration Fee	\$73
Cost of printing	\$8,000 *
Legal fees & expenses	\$18,000*
Accounting fees & expenses	\$1,000 *
Edgar Filing preparation & fees	\$1,000 *
Transfer Agent fees	\$0
Miscellaneous	\$1,927 *
Total	\$30,000

* Estimated subject to change

ITEM 14**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Article VI of our Articles of Incorporation, as amended and restated, provides for mandatory indemnification of our officers and directors, except where such person has been adjudicated liable by reason of his negligence or willful misconduct toward the Company or such other Company in the performance of his duties as such officer or director.

Article V of our Bylaws provides for indemnification of our officers and directors. Our Bylaws provide as follows in pertinent part:

5.1 Indemnification of Directors. Unless otherwise provided in the articles of incorporation, the corporation shall indemnify any individual made a party to a proceeding because the individual is or was a director of the corporation, against liability incurred in the proceeding, but only if such indemnification is both (i) determined permissible and (ii) authorized, as such are defined in subsection (a) of this Section 5.1.

5.1.1 Determination of Authorization. The corporation shall not indemnify a director under this Section unless:

(a) a determination has been made in accordance with the procedures set forth in the Statutes that the director met the standard of conduct set forth in subsection (b) below, and

(b) payment has been authorized in accordance with the procedures set forth in the Statutes based on a conclusion that the expenses are reasonable, the corporation has the financial ability to make the payment, and the financial resources of the corporation should be devoted to this use rather than some other use by the corporation.

5.1.2 Standard of Conduct. The individual shall demonstrate that:

(a) he or she conducted himself in good faith; and

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(b) he or she reasonably believed:

(i) in the case of conduct in his official capacity with the corporation, that his conduct was in its best interests;

(ii) in all other cases, that his conduct was at least not opposed to its best interests; and

(iii) in the case of any criminal proceeding, he or she had no reasonable cause to believe his conduct was unlawful.

5.1.3 Indemnification in Derivative Actions Limited. Indemnification permitted under this Section in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

5.1.4 Limitation on Indemnification. The corporation shall not indemnify a director under this Section of Article 5:

(a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or

(b) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by the director.

5.2 Advance of Expenses for Directors. If a determination is made following the procedures of the Statutes, that the director has met the following requirements, and if an authorization of payment is made following the procedures and standards set forth in the Statutes, then unless otherwise provided in the articles of incorporation, the corporation shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding, if:

(a) the director furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct described in this section;

(b) the director furnishes the corporation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct;

(c) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Section or the Statutes.

5.3 Indemnification of Officers, Agents and Employees Who Are Not Directors. Unless otherwise provided in the articles of incorporation, the board of directors may indemnify and advance expenses to any officer, employee, or agent of the corporation, who is not a director of the corporation, to the same extent as to a director, or to any greater extent consistent with public policy, as determined by the general or specific actions of the board of directors.

5.4 Insurance. By action of the board of directors, notwithstanding any interest of the directors in such action, the corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary or agent of the corporation, against any liability asserted against or incurred by such person in that capacity or arising from such person's status as a director, officer, employee, fiduciary, or agent, whether or not the corporation would have the power to indemnify such person under the applicable provisions of the Statutes.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. We believe that these provisions, the insurance, and the indemnity agreements are necessary to attract and retain talented and experienced directors and officers.

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Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted for directors, officers or employees pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

ITEM 15

RECENT SALES OF UNREGISTERED SECURITIES

During fiscal year ended December 31, 2013 and to current date, we issued an aggregate of 39,241,778 shares of unregistered common stock and 1,400,000 Series A preferred shares as follows.

Common Stock -2013

During fiscal year ended December 31, 2013, we issued an aggregate 13,111,904 shares of our restricted common stock at a per share price of ranging from approximately \$0.0200 to \$0.0560 approximately sixteen vendors relating to expenses incurred in the amount of \$328,000. The expenses were primarily related to professional services rendered. The 13,111,904 shares were issued in a private transaction to sixteen United States residents in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The vendors acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

During fiscal year ended December 31, 2013, we issued an aggregate 4,500,000 shares of our restricted common stock at a per share price of approximately \$0.02 to two creditors relating to accounts payable of \$90.900. The 4,500,000 shares were issued in a private transaction to two United States residents in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The creditors acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

During fiscal year ended December 31, 2013, we issued an aggregate 2,000,000 shares of our restricted common stock at a per share price of approximately \$0.005 relating to accounts payable and to one note holder relating to principal of \$7,500 due and owing. The 2,000,000 shares were issued in a private transaction to one United States resident in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The note holders acknowledged that the securities to be issued have not been registered under the Securities Act, that he understood the economic risk of an investment in the securities, and that he had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities

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Common Stock - Issued in 2014

During fiscal year ended December 31, 2013, we authorized the issuance of an aggregate 23,371,111 shares of our restricted common stock (which were issued subsequent to December 31, 2013) as follows: (i) 11,911,111 shares at a per share price of approximately \$0.018 to investors resulting in gross proceeds of \$217,500; (ii) 6,660,000 shares of common stock at a per share price of \$0.018 to consultants in payment of services rendered in the aggregate amount of \$121,500; (iii) 1,400,000 shares of common stock at a per share price of \$0.021 in payment of services of \$30,000; and (iv) 3,400,000 shares of common stock at a per share price of \$0.049 to creditors in payment of notes payable and accrued interest of \$169,720. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The consultants acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

Preferred Stock - 2013

During fiscal year ended December 31, 2013, we authorized the issuance of an aggregate 500,000 shares of our Series A preferred stock at a per share price of approximately \$0.45 to a consultant relating to professional services rendered in the amount of \$225,000. The 500,000 shares were issued in a private transaction to one United States resident in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of Series A preferred stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The consultant acknowledged that the securities to be issued have not been registered under the Securities Act, that he understood the economic risk of an investment in the securities, and that he had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

During fiscal year ended December 31, 2013, we authorized the issuance of an aggregate 1,000,000 shares of our Series A preferred stock at a per share price of approximately \$0.43 to one of the members of our Board of Directors as payment for compensation. The 1,000,000 shares were issued in a private transaction to one United States resident in reliance on Rule 506 of Regulation D promulgated under the Securities Act. The shares of Series A preferred stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements.

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ITEM 16

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are filed as part of this registration statement unless otherwise indicated:

- 3.1 Amended and Restated Articles of Incorporation (Incorporated by reference to exhibit 3(i).1 to Form 10-Q filed May 14, 2010)
- 3.2 Bylaws (Incorporated by reference to exhibit 3.2 for Form 10-QSB, filed November 14, 2003)
- 4.2 Subscription Agreement between View Systems, Inc. and Starr Consulting, Inc., Active Stealth, LLC, and KCS Referral Service LLC, dated December 23, 2005 (Incorporated by reference to exhibit 4.1 of Form 8-K, filed January 6, 2006)
- 5.1 Opinion re Legality incorporated by reference to Exhibit 5.1 of Amendment No. 3 to Registration Statement filed on July 16, 2014
- 10.1 View Systems, Inc. 2010 Equity Incentive Plan (Incorporated by reference to exhibit 10.1 to Form 10-Q filed May 14, 2010)
- 10.2 View Systems, Inc. 2010 Service Provider Stock Compensation Plan (Incorporated by reference to exhibit 10.4 to Form 10-Q filed August 19, 2010)
- 10.3 Employment agreement between View Systems and Gunther Than, dated December 1, 2009 (Incorporated by reference to exhibit 10.1 to Form 8-K, filed January 11, 2010)
- 10.4 Subcontractor Agreement dated March 9, 2009 between MasTec North America, Inc. and View Systems, Inc. (Incorporated by reference to exhibit 10.3 for Form 10-Q, Amendment No. 1, for the period ended March 31, 2009)
- 10.3 Purchase Agreement, dated June 1, 2012 (Incorporated by reference to exhibit 10.1 to Form 8-K, filed July 3, 2012)
- 10.4 Amendment to Purchase Agreement, dated June 28, 2012 (Incorporated by reference to exhibit 10.2 to Form 8-K, filed July 3, 2012)
- 10.5 Agreement to Accept View Systems Inc. Common Stock in Payment of Note Payable dated September 21, 2013 between View Systems Inc. and William W. Smith incorporated by reference to Exhibit 10.5 of Amendment No. 3 to Registration Statement filed on July 16, 2014
- 10.6 Subscription Agreement dated March 22, 2013 between View Systems Inc. and Reid Miles incorporated by reference to Exhibit 10.6 of Amendment No. 3 to Registration Statement filed on July 16, 2014

10.7 Agreement dated March 21, 2012 between View Systems, Inc. and Jerry W. Miller incorporated by reference to Exhibit 10.7 of Amendment No. 3 to Registration Statement filed on July 16, 2014.

21.1 List of Subsidiaries*

23.1 Consent of Stegman and Company incorporated by reference to Exhibit 23.1 of Amendment No. 3 to Registration Statement filed on July 16, 2014

31.1 Rule 13a-15(e)/15d-15(e) Certification by the Chief Executive Officer and Chief Financial Officer *

32.1 Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

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ITEM 17.

UNDERTAKINGS

Registrant hereby undertakes:

- To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to: (i) include any prospectus required by Section 10(a) (3) of the Securities Act; (ii) reflect in the Prospectus any facts or events which, individually or in the aggregate, represent a fundamental change in the information in the Registration Statement; and (iii) include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

- That, for the purpose of determining liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement of the securities offered, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof;

- To file a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering;

- To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

- That, for the purpose of determining liability under the Securities Act to any purchaser:

- Pursuant to Rule 430B:

- That each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

- Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date;

- that in a primary offering of securities by the Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

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- Any preliminary prospectus or prospectus of the Registrant relating to the offering required to be filed pursuant to Rule 424;
- Any free writing prospectus relating to the offering prepared by or on behalf of the Registrant or used or referred to by the Registrant;
- The portion of any other free writing prospectus relating to the offering containing material information about the Registrant or its securities provided by or on behalf of the Registrant; and
- Any other communication that is an offer in the offering made by the Registrant to the purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Baltimore, State of Maryland, on July 25, 2014.

View Systems, Inc.

By: /s/ Gunther Than

Gunther Than

Chief Executive Officer and Chief Financial Officer

(Principal executive officer, principal financial officer, and principal accounting officer)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Gunther Than</u> Gunther Than	Director, Chief Executive Officer and Treasurer	July 29, 2014
<u>/s/ Michael L. Bagnoli</u> Michael L. Bagnoli	Director and Secretary	July 29, 2014
<u>/s/ Martin J. Maassen</u> Martin J. Maassen	Director	July 29, 2014
<u>/s/ Reid Miles</u> Reid Miles	Director	July 29, 2014

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