

Edgar Filing: FORCE PROTECTION INC - Form SB-2/A

FORCE PROTECTION INC
Form SB-2/A
February 11, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 11, 2004

REGISTRATION NO. 333-112227

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

AMENDMENT 1
TO THE
FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

FORCE PROTECTION, INC.

(Name of small business issuer in its charter)

Colorado	3795	84-1383888
(State of other jurisdiction of incorporation)	(Primary Standard Industrial Classification Code)	(IRS Employer Identification Number)

9801 Highway 78, #3
Ladson, South Carolina 29456
(843) 740-7015
(Address and telephone number of principal executive offices)

9801 Highway 78, #3, Ladson, South Carolina 29456
(843) 740-7015
(Address of principal place of business or intended principal place of business)

Michael Watts, Chief Executive Officer
9801 Highway 78, #3
Ladson, South Carolina 29456
(843) 740-7015
(Name, address and telephone number of agent for service)

Copies of communications to:

Amy Trombly
80 Dorcar Road
Newton, MA 02459
(617) 243-0850

Approximate date of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. [X]

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

Edgar Filing: FORCE PROTECTION INC - Form SB-2/A

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

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

1

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum Amount to be registered(1)	Proposed maximum offering price per security(2)	Amount of Aggregate offering price
Common stock, par value \$.0001 per share	47,240,000	\$.08	\$ 3,779,200

(1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this registration statement to cover additional securities that may be offered or issued to prevent dilution resulting from dividends or similar transactions.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to the purposes of this table, we have used the average of the closing bid and ask prices of the common stock in the over the counter market and reported on the OTC Electronic Bulletin Board on

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

2

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

PROSPECTUS
FORCE PROTECTION, INC.

This prospectus relates to the sale of up to 47,240,000 shares of our common stock by our stockholders. We are not selling any securities in this offering and therefore will not receive any proceeds from this offering. We will, however, receive proceeds from the sale of securities under an Investment Agreement, also referred to as an Equity Line of Credit, that we have entered

Edgar Filing: FORCE PROTECTION INC - Form SB-2/A

into with one of the selling stockholders, Dutchess Private Equities Fund, L.P., which permits us to "put" up to \$3.5 million in shares of common stock to Dutchess Private Equities Fund. All costs associated with this registration will be borne by us.

The shares of common stock are being offered for sale by the selling stockholders at prices established on the Over-the-Counter Bulletin Board or in negotiated transactions during the term of this offering. Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol FRCP.OB. On January 16, 2004, the last reported sale price of our common stock was \$0.08 per share.

The selling stockholders consist of:

Dutchess Private Equities Fund L.P.	35,000,000
-----	-----
Dennis Benner	3,600,000
-----	-----
Ed Lassiter	3,600,000
-----	-----
Eric Heineken	1,800,000
-----	-----
Robert Baker.	1,800,000
-----	-----
Jim Shrum	1,440,000
-----	-----

Dutchess is an "underwriter" within the meaning of the Securities Act of 1933, as amended, in connection with the resale of common stock under the Investment Agreement. Dutchess will pay us 93% of lowest closing bid price of the common stock during the five consecutive trading day period immediately following the date of our notice to them of our election to put shares pursuant to the Equity Line of Credit. The "C" Series Preferred Shares held by Robert Baker, Eric Heineken, and Jim Shrum, were issued in a prior private placement. The convertible debt held by Dennis Benner, and Ed Lassiter was issued in a prior private placement.

This investment involves a high degree of risk. You should purchase securities only if you can afford a complete loss. See "Risk Factors" beginning on page 9.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Subject to Completion, the date of this Prospectus is February 11, 2004

TABLE OF CONTENTS

PROSPECTUS SUMMARY	5
SHARES ELIGIBLE FOR FUTURE SALE	6

Edgar Filing: FORCE PROTECTION INC - Form SB-2/A

RISKFACORS	9
USE OF PROCEEDS	17
DILUTION	17
SELLING STOCKHOLDERS	18
PLAN OF DISTRIBUTION	19
CAPITALIZATION	20
DIVIDEND POLICY	21
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	21
DESCRIPTION OF BUSINESS	26
DESCRIPTION OF PROPERTY MANAGEMENT	29
EXECUTIVE COMPENSATION	30
RELATED PARTY TRANSACTIONS	32
MARKET FOR OUR COMMON STOCK	34
REPORTS TO SECURITYHOLDERS	35
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	36
DESCRIPTION OF SECURITIES	37
LEGAL PROCEEDINGS	38
LEGAL MATTERS	38
EXPERTS	38
FINANCIAL STATEMENTS	F-1

4

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements including the notes thereto, appearing elsewhere in this prospectus. Because it is a summary, it does not contain all of the information you should consider before making an investment decision.

FORCE PROTECTION, INC.

We incorporated in the State of Colorado in November 1996. Our wholly-owned subsidiary, Technical Solutions Group, Inc. incorporated in Nevada in 1997. We acquired Technical Solutions Group, Inc. in July 2002. Through our subsidiary, Technical Solutions Group, Inc. we manufacture and market military vehicles that are protected against landmines and hostile fire. These vehicles are typically used to transport personnel safely in areas infested with landmines and for the actual removal of landmines.

Our principal executive offices are located at 9801 Highway 78, #3, Ladson, South Carolina 29456. Our telephone number is (843) 740-7015.

THE OFFERING

This offering relates to the resale of our common stock by certain persons who are, or will become, our stockholders. The selling stockholders consist of:

Dutchess Private Equities Fund L.P. 35,000,000

Edgar Filing: FORCE PROTECTION INC - Form SB-2/A

Dennis Benner	3,600,000
Ed Lassiter	3,600,000
Eric Heineken	1,800,000
Robert Baker.	1,800,000
Jim Shrum	1,440,000

We have entered into an Investment Agreement with Dutchess Private Equities Fund, also referred to as an Equity Line of Credit. That agreement provides that, following notice to Dutchess, we may put to Dutchess up to \$3.5 million in shares of our common stock for a purchase price equal to 93% of the lowest closing bid price on the Over-the-Counter Bulletin Board of our common stock during the five day period following that notice. Each put will be equal to either (a) 200% of the average daily volume of our common stock for the 10 trading days prior to the put notice date, multiplied by the average of the three daily closing best bid prices immediately preceding the Put or (b) \$10,000; provided that in no event will the Put Amount be more than \$1,000,000 with respect to any single Put.

In turn, Dutchess has indicated that it will resell those shares in the open market, resell our shares to other investors through negotiated transactions or hold our shares in its portfolio. This prospectus covers the resale of our stock by Dutchess either in the open market or to other investors through negotiated transactions. We are also registering the resale of shares which will be issued to Robert Baker, Eric Heineken, and Jim Shrum upon the conversion of securities they already own, and to Dennis Benner, and Ed Lassiter upon the conversion of notes they already hold. To the best of our knowledge, Messrs. Benner, Lassiter, Heineken, Baker and Strum are unaffiliated with Dutchess.

OUR CAPITAL STRUCTURE AND SHARES ELIGIBLE FOR FUTURE SALE

The following table outlines our capital stock as of the date of this prospectus:

Common Stock outstanding

Before the offering	122,280,238	shares	(1)
After the offering	169,520,238	shares	(1) (2)