

MICROVISION INC
Form 424B3
July 13, 2012
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Filed pursuant to Rule 424(b)(3)
Registration No. 333-182462

PROSPECTUS

MicroVision, Inc.
Common Stock
4,346,048 Shares

This prospectus relates to the resale of up to 4,346,048 shares of our common stock including:

3,346,048 issued by us on May 22, 2012; and

1,000,000 shares that may be issued upon exercise of warrants issued by us on May 22, 2012.

See Private Placement of Common Stock and Warrants for more information about the issuance of common stock and warrants.

We are registering these shares on behalf of the selling shareholders named in this prospectus to be offered and sold by them from time to time.

The securities offered in this prospectus involve a high degree of risk. You should carefully consider the Risk Factors set forth herein beginning on page 1 and in our future filings made with the Securities and Exchange Commission, which are incorporated by reference in this prospectus, in determining whether to purchase our securities.

Our common stock is listed on the Nasdaq Global Market with the ticker symbol MVIS. On June 28, 2012, the closing price of one share of our common stock on the Nasdaq Global Market was \$1.62.

Our executive offices are located at 6222 185th Avenue NE, Redmond, Washington 98052, and our telephone number is (425) 936-6847.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 13, 2012.

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and is subject to the safe harbor created by that section. Such statements may include, but are not limited to, projections of revenues, income or loss, capital expenditures, plans for product development and cooperative arrangements, future operations, financing needs or plans of MicroVision, as well as assumptions relating to the foregoing. The words anticipate, believe, estimate, expect, goal, may, plan, project, will, and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

These forward-looking statements are not guarantees of future performance. Factors that could cause actual results to differ materially from those projected in our forward-looking statements include the following: our ability to obtain financing; market acceptance of our technologies and products; our financial and technical resources relative to those of our competitors; our ability to keep up with rapid technological change; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the ability to obtain additional contract awards and to develop partnership opportunities; the timing of commercial product launches; the ability to achieve key technical milestones in key products; and other factors set forth in the section entitled Risk Factors below, and in the documents incorporated by reference into this prospectus. These factors are not intended to represent a complete list of the general or specific factors that may affect us. It should be recognized that other factors, including general economic factors and business strategies, may be significant, now or in the future, and the factors set forth in this prospectus may affect us to a greater extent than indicated. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth in or incorporated into this prospectus. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

RISK FACTORS

You should carefully consider the specific risks set forth under the caption Risk Factors in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, each as amended or supplemented, which are incorporated by reference in this prospectus, as the same may be amended, supplemented or superseded by our subsequent quarterly reports or other filings, including filings after the date hereof, with the Securities and Exchange Commission under the Exchange Act. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the trading price of our common stock could decline, and you could lose all or part of your investment.

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MicroVision provides the PicoP[®] display technology platform designed to enable next-generation display and imaging products for consumer devices, vehicle displays and wearable displays. Our PicoP projection display technology uses highly efficient laser light sources which can create vivid images with high contrast and brightness.

PRIVATE PLACEMENT OF COMMON STOCK AND WARRANTS

We entered into a securities purchase agreement dated as of May 9, 2012 (as amended, the Purchase Agreement) with Shmuel Farhi, Salvatore Pacifico and Silvana Pacifico (collectively, the Investors). Under the terms of the Purchase Agreement, the Investors purchased an aggregate of 3,346,048 shares (the Shares) of our common stock and warrants (the Warrants) to purchase an additional 1,000,000 shares of our common stock at a total purchase price of \$ 1.4943 per share. The Warrants each have an exercise price of \$2.125 per share and are exercisable until May 22, 2015. We received aggregate consideration of \$5 million in cash and the transaction was completed on May 22, 2012 (the Closing Date).

We also entered into a registration rights agreement, pursuant to which we have agreed to use commercially reasonable efforts to file a registration statement with respect to the Shares and the shares of our common stock issuable under the Warrants as soon as practicable and in no event later than 60 days after the Closing Date, and to use commercially reasonable efforts to cause the registration statement to become effective as soon as practicable thereafter, and in no event later than 120 days after the Closing Date.

USE OF PROCEEDS

All net proceeds from the sale of the shares of common stock will go to the shareholders who offer and sell them. We will not receive any proceeds from this offering. However, we would receive proceeds of approximately \$2,125,000 if all of the Warrants held by the selling shareholders as of the date of this prospectus were exercised for cash. The funds would be used for general corporate purposes.

SELLING SHAREHOLDERS

In the event a selling shareholder transfers some or all of his or her shares to a permitted transferee, such transferee shall not be able to use this prospectus to sell shares unless and until such transferee is identified as a selling shareholder in a supplement to this prospectus or a post-effective amendment to the registration statement of which this prospectus forms a part.

The shares listed below represent all of the shares of our common stock that the selling shareholders currently beneficially own, the number of shares they may offer and the number of shares they will own after the offering assuming they sell all of the shares that may be offered under this prospectus. The selling shareholders' percentage beneficial ownership in our outstanding common stock is shown in parentheses next to the number of shares and is based on 24,891,507 shares of common stock issued and outstanding as of June 25, 2012. Beneficial ownership representing less than 1% of our outstanding shares of common stock is noted with an asterisk. The selling shareholders may sell all, some or none of their shares in this offering. See Plan of Distribution.

Name of Selling Shareholder	Number of Shares Owned Prior to Offering	Maximum Number of Shares to be Sold Pursuant to	
		this Prospectus	Number of Shares Owned After Offering
Shmuel Farhi(1)	3,011,443 (12.10%)	3,911,443(4)	-0-
Salvatore Pacifico (2)	393,386 (1.58%)(3)	173,842(4)	*
Silvana Pacifico (2)	393,386 (1.58%)(3)	260,763(4)	*

- (1) The address for Shmuel Farhi is c/o Farhi Holdings Corporation, 484 Richmond Street, Suite 200, London, Ontario, Canada, N6A 3E6.
- (2) The address for each of Salvatore Pacifico and Silvana Pacifico is 1649 Gloucester Road, London, Ontario, Canada, N6G 2S5.
- (3) Includes 143,842 shares held by Salvatore Pacifico, 214,544 shares held by Silvana Pacifico, 10,000 shares held by Pacifico

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Holdings Inc. (Holdings) and 25,000 shares held by Pacifico Family Trust (the Trust). Salvatore Pacifico is President and sole owner of Holdings and may be deemed to have investment control over shares held by the Trust; therefore, Salvatore Pacifico may be deemed to beneficially own the shares held by Holdings and the Trust. Salvatore Pacifico and Silvana Pacifico are husband and wife and may each be deemed to beneficially own shares held by the other.

- (4) Includes 900,000 shares, 40,000 shares and 60,000 shares underlying warrants held by Shmuel Farhi, Salvatore Pacifico and Silvana Pacifico, respectively, not exercisable within 60 days.

PLAN OF DISTRIBUTION

We are registering the shares on behalf of the selling shareholders. Selling shareholders, as used in this prospectus, includes donees and pledgees selling shares received from the named selling shareholders after the date of this prospectus. The selling shareholders may offer shares of common stock at various times in one or more of the following transactions:

in the over-the-counter market;

in private transactions other than in the over-the-counter market;

in connection with short sales of the shares of common stock;

by pledge to secure debts and other obligations;

in connection with the writing of non-traded and exchange-traded call options, in hedge transactions and in settlement of other transactions in standardized or over-the-counter options; or

in a combination of any of the above transactions.

A selling shareholder may sell its shares at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices or at fixed prices.

A selling shareholder may use broker-dealers to sell its shares. If this happens, broker-dealers may receive discounts, concessions or commissions from the selling shareholder, or they may receive commissions from purchasers of shares for whom they acted as agents.

A selling shareholder also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided they meet the criteria and conform to the requirements of that Rule.

If a selling shareholder effects such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling shareholder or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, a selling shareholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. A selling shareholder may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. A selling shareholder may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling shareholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be underwriters within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate amount of shares of common stock being

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offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling shareholders and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers.

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Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling shareholder will sell any or all of the shares of common stock registered pursuant to the shelf registration statement of which this prospectus forms a part.

The selling shareholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling shareholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be approximately \$40,000 in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or blue sky laws; provided, however, that a selling shareholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling shareholders against liabilities, including some liabilities under the Securities Act, in accordance with the registration rights agreement, or the selling shareholders will be entitled to contribution. We may be indemnified by the selling shareholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling shareholders specifically for use in this prospectus, in accordance with the registration rights agreement, or we may be entitled to contribution.

Once sold under the shelf registration statement of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and the information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the time that all securities covered by this prospectus have been sold; provided, however, that we are not incorporating any information furnished under any of Item 2.02 or Item 7.01 (including exhibits furnished under Item 9.01 in connection with information furnished under Item 2.02 or Item 7.01) of any current report on Form 8-K:

Our annual report on Form 10-K for the year ended December 31, 2011, filed with the SEC on March 9, 2012;

Our quarterly report on Form 10-Q for the quarter ended March 31, 2012, filed with the SEC on May 10, 2012;

Our current reports on Form 8-K filed with the SEC on January 26, 2012, February 17, 2012, May 22, 2012, June 11, 2012 and June 18, 2012;

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Any other filings we make pursuant to the Exchange Act after the filing date of the initial registration statement and prior to effectiveness of the registration statement; and

The description of our common stock set forth in Amendment No. 1 to our Registration Statement on Form SB-2 (Registration No. 333-5276-LA), including any amendment or report filed for the purpose of updating such description, as incorporated by reference in our Registration Statement on Form 8-A (Registration No. 0-21221).

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

MicroVision, Inc.

6222 185th Avenue NE

Redmond, Washington 98052

Attention: Investor Relations

(425) 936-6847

This prospectus is part of a registration statement that we have filed with the SEC. You should rely only on the information or representations provided in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of the document.

LEGAL OPINION

For the purpose of this offering, Ropes & Gray LLP, Boston, Massachusetts, is giving its opinion on the validity of the securities offered hereby.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2011 have been so incorporated in reliance on the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 1 to the financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.