

Vuzix Corp  
Form S-1/A  
July 29, 2013

**As filed with the Securities and Exchange Commission on July 29, 2013**

**Registration No. 333-185661**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Amendment No. 5 to**

**FORM S-1**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**VUZIX CORPORATION**  
(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>3577</b> (Primary Standard Industrial Classification Code Number)	<b>04-3392453</b> (I.R.S. Employer Identification Number)
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**2166 Brighton Henrietta Townline Road  
Rochester, NY 14623  
585-359-5900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Paul J. Travers  
Chief Executive Officer**

**2166 Brighton Henrietta Townline Road  
Rochester, NY 14623  
585-359-5900**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

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.

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

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If this Form is a 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 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.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price (1)</b>	<b>Amount of Registration Fee (2)</b>	
Common Stock, \$0.001 par value per share (2)(3)	\$ 6,900,000	\$ 941.16	
Common Stock Purchase Warrants	13,118	1.79	(4)
Shares of Common Stock underlying Common Stock Purchase Warrants (2) (7)	7,762,500	1,058.81	
Representative’s Common Stock Purchase Warrant			(5)
Shares of Common Stock underlying Representative’s Common Stock Purchase Warrants (2) (6)	375,000	51.15	
Total Registration Fee	15,050,618	2,052.90	*

(1) Estimated solely for the purpose of calculating the amount of registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Pursuant to Rule 416 under the Securities Act, the securities being registered hereunder include such indeterminate number of additional shares of common stock as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

(3) Includes shares the underwriters have the option to purchase to cover over-allotments, if any.

(4) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(i) under the Securities Act.

(5) No fee pursuant to Rule 457(g) under the Securities Act.

(6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act, based on an estimated proposed maximum aggregate offering price of \$375,500, or 125% of \$300,000 (5% of \$6,000,000).

(7) There will be issued warrants to purchase shares of common stock. The warrants are exercisable at a per share price equal to [1.125%] of the public offering price.

\* \$3,952.95 was previously paid.

**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 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

The information in this preliminary 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 effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED JULY 29, 2013

### **Shares of Common Stock**

<b>Warrants to Purchase</b>	<b>Shares of Common Stock</b>
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Vuzix Corporation is offering \_\_\_\_\_ shares of our common stock and warrants to purchase up to an aggregate \_\_\_\_\_ shares of our common stock. The warrants will have a per share exercise price of \$\_\_ [112.5% of public offering price of the common stock and warrants]. The warrants are exercisable immediately and will expire five years from the date of issuance.

Our common stock is quoted on the OTCQB under the symbol “VUZI”, on the TSX Venture Exchange, or TSX-V, under the symbol “VZX”, and on the Frankfurt Stock Exchange under the symbol “V7XN”. We anticipate that, upon the closing of this offering, our common stock will be delisted from the TSX-V. There is no established trading market for the warrants. On July 26, 2013, the last reported sale price for our common stock on the OTCQB was \$5.26 per share.

**Our business and an investment in our securities involves a high degree of risk. See “Risk Factors” beginning on page 10 of this prospectus for a discussion of information that you should consider before investing in our securities.**

**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.**

	<b>Per Share</b>	<b>Per Warrant</b>	<b>Total</b>
Public offering price	\$	\$	\$
Underwriting discount <sup>(1)</sup>	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

(1) The underwriters will receive compensation in addition to the underwriting discount. See “Underwriting” beginning on page 73 of this prospectus for a description of the compensation payable to the underwriters.

Chardan Capital Markets, LLC will act as financial advisor in connection with this offering.

The underwriters may also purchase up to an additional \_\_\_\_\_ shares of common stock and/or \_\_\_\_\_ warrants from us at the public offering price, less the underwriting discount, within 45 days from the date of this prospectus to cover over-allotments, if any.

The underwriters expect to deliver the shares and warrants against payment therefor on or about \_\_\_\_\_, 2013.

**Aegis Capital Corp**

, 2013





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You should rely only on the information contained in this prospectus or in any free writing prospectus that we may specifically authorize to be delivered or made available to you. We have not, and the underwriters have not, authorized anyone to provide you with any information other than that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus may only be used where it is legal to offer and sell our securities. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since that date. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted.

For investors outside the United States: We have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

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## **PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our securities, you should carefully read this entire prospectus, including our financial statements and the related notes and the information set forth under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in each case included elsewhere in this prospectus.*

*Unless otherwise stated or the context requires otherwise, references in this prospectus to “Vuzix”, the “Company”, “we”, “us”, or “our” refer to Vuzix Corporation.*

## **VUZIX CORPORATION**

### **Business Overview**

We are engaged in the design, manufacture, marketing and sale of wearable display products for use as an alternative private display solution in markets where portability and high resolution are key. Our products, known commercially as Video Eyewear (also referred to as head mounted displays, wearable displays, video glasses, personal viewers, and near-eye displays) are worn like eyeglasses and contain micro video displays that offer users a portable high-quality viewing experience.

Our Video Eyewear products provide virtual large high-resolution screens, fit in a user’s pocket or purse and can be viewed practically anywhere, anytime. They enable the user to view video and digital content, such as movies, computer data, the Internet or video games. They can also be used for virtual reality and augmented reality applications where the wearer is either immersed in a computer generated world or has their real world view augmented with computer generated information or graphics. We produce both monocular and binocular Video Eyewear devices. Video Eyewear are designed to work with mobile electronic devices, such as smartphones, laptop computers, portable media players and gaming systems as well as remote displays for medical devices like digital endoscopes and ultrasound equipment. Historically, we focused on two markets: the consumer markets for gaming, education, entertainment and mobile video and the market for rugged mobile displays for defense, medical, commercial and industrial markets. In June 2012, we sold the assets (including equipment, tooling, certain patents and trademarks and sales of our proprietary Tac-Eye displays and night vision display electronics) that comprised our Tactical Defense Group, which sold and licensed products and provided services, directly and indirectly, to military organizations and defense and security organizations. We refer to these assets as the “TDG Assets”. Accordingly, we now focus primarily on the consumer, commercial and entertainment market.

## **Products**

We produce and sell three main types of products: Video Eyewear (for on-the-go users as remote displays for mobile and hands-free use); Virtual Reality, or VR Video Eyewear (for stepping into virtual worlds, simulations & gaming); Augmented Reality, or AR Video Eyewear, (for overlaying virtual information from the cloud/internet onto the real world). Our products are available with varying features and include either monocular or binocular display systems. Starting in the third quarter of 2013, we intend to introduce “Smart Glasses” versions of all three types of our Video Eyewear that have many of the capabilities of a smartphone to allow applications to be run directly in the Video Eyewear enabling cloud-connected applications through a wireless link directly with the glasses. We believe we provide the broadest range of consumer Video Eyewear product offerings available in the market and that our products contain some of the most advanced electronics and optics for their target markets and uses. Our products include:

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### ***Binocular Video Eyewear Products***

We currently produce a line of binocular Video Eyewear products called Wrap Video Eyewear. Introduced in the fall of 2009, they are the fourth generation of consumer focused Video Eyewear products that we have produced since 2005. Each Wrap model has a different apparent virtual display size and native resolution, all of which support 3D applications. Our binocular Video Eyewear products contain two microdisplays (a separate display for each eye), typically mounted in a frame attached to eyeglass-style temples. These products enable mobile and hands-free private viewing of video content on screens that simulate home theater-sized screens. Headphones are built into the temples so that users can listen to accompanying audio in full stereo. They can be employed as mobile high-resolution displays with products such as smartphones with video output capability, laptop computers, tablets, portable DVD players, game systems, and personal digital media/video players (video iPods).

We are developing, and intend to introduce in 2013, a line of advanced Smart Glasses Video Eyewear that have resolutions up to full high definition with wireless connectivity, ideal as a smartphone mobile display accessory, for cloud computing and for gaming. This advanced line of products will utilize our extremely thin and light weight see-through optics employed in fashion wear eyeglass frames.

### ***Monocular Video Eyewear Products***

We have offered monocular Video Eyewear products since 2003, when we introduced the M920. The monocular Video Eyewear products we have offered were designed to interface with various devices, including personal computers and Personal Digital Assistants (or PDAs). In or around June 2013, we intend to release our first waveguide based monocular head mounted displays (or HMD) that are fully enabled for AR use. The M2000AR will have gyros, accelerometers and magnetic field sensors, hi-resolution camera, HDMI interface, and see through optics that can be mounted to hardhats or goggles. Applications will include training, academic research, manufacturing, maintenance and other hands-free operations.

In the third quarter of 2013, we also intend to launch a new line of monocular Video Eyewear smart glasses designed for use with smartphones. We won a 2013 Consumer Electronics Show (or CES) Best of Innovations Design and Engineering award as the best new technology in the wireless handset accessories category for our first Smart Glasses, the M100, which was demonstrated publicly at the January 2013 CES show. The M100 is a “hands-free display” much like today’s hands-free audio systems commonly used with cellphones for voice calls, but with many advanced features. The M100 has an added display, camera, GPS, motion sensors and wireless radios. Users control the M100 through use of the wirelessly connected smartphone or gesturing and speech recognition voice control. It runs the Android operating system, which allows for software applications with advanced functions ranging from browsing the Internet to augmented reality.

### ***Engineering Solutions***

We provide engineering services to third party customers ranging from near-eye display engines to full head mounted displays. When performing such work we typically obtain a first right of refusal to be the volume manufacturer of our proprietary display subassemblies in our contracts for the custom design of products. Historically most of this work has been for the U.S. Government; however, we do perform engineering services for commercial and industrial users. The agreement for the sale of the TDG Assets limits our ability to sell research and development services for the military, defense and security markets, such that we can sell such services only to the U.S. government and only for waveguide and waveguide display engine development.

### **Recent Developments**

On June 15, 2012, we entered into an Asset Purchase Agreement with TDG Acquisition Company, LLC pursuant to which we sold the TDG Assets. The TDG Assets included equipment, tooling, certain patents and trademarks and our proprietary Tac-Eye displays and night vision display electronics, which comprised our tactical defense group, which engaged in the business of selling and licensing products and providing services, directly and indirectly, to military organizations and defense organizations. We received a worldwide, royalty free, assignable grant-back license to all the patents and other intellectual property sold, for use in the manufacture and sale of products for the consumer markets. We retained the right to sell goods and services to the TDG purchaser and into all markets other than the military, defense and security markets. Under our agreement with the purchaser, it is allowed to sell its goods and services in all markets other than the consumer market or to end users.

The purchase price paid to us consists of 2 components: \$8,500,000 less \$154,207 in adjustments, or \$8,345,793, which was paid at closing, and up to an additional \$2.5 million, which will be paid to us only if the purchaser achieves certain quarterly and annual revenue targets within the first 12 months from sales of goods and services to military organizations and defense and security organizations. The purchase price was determined by arm's length negotiations between the parties.

In connection with the Asset Purchase Agreement, we entered into a letter agreement, dated as of June 15, 2012, with LC Capital Master Fund Ltd., the senior lender under our convertible loan and security agreement, dated December 23, 2010, and promissory note and security agreement, dated May 19, 2012, pursuant to which it consented to the sale of the TDG Assets (as required by the terms of our existing loan agreements), and paid it \$4,450,000 in reduction of our obligations. Following such payment, we executed a new note for \$619,122, which represents the remaining obligation under this loan. The new note carries interest at a rate of 13.5% (18.5% if in default) and repayment is due in 12 equal payments commencing on October 15, 2012. We also agreed to use 40% of any of the earn-out received under the Asset Purchase Agreement in reduction of this note. We are in default under the loan agreement with the senior lender for failure to make required principal payments totaling \$154,781. We are currently in negotiations with the senior lender to have the senior lender grant a waiver or enter into a forbearance agreement, under which it would forebear from enforcing its remedies against us. There is no assurance the senior lender will agree to grant a waiver or enter into a forbearance agreement. Our senior lender is currently able to exercise its remedies under the loan agreement, including acceleration of the amounts due and foreclosure and sale of the collateral held by it.

On February 6, 2013, we effected a one-for-seventy five reverse stock split of our outstanding common stock. Unless otherwise indicated, all historical and pro forma common stock and per share data in this prospectus have been retroactively restated to account for the reverse stock split.

On March 21, 2013 we entered into a Securities Purchase Agreement with Hillair Capital Management L.P. (Hillair), pursuant to which, on March 27, 2013, we issued to Hillair a secured convertible debenture in the amount of \$800,000. The debenture bears interest at a rate of 16% per year, payable quarterly in cash or shares of common stock at our option. Commencing on February 1, 2014, we will be required to redeem a certain amount under the debenture on a periodic basis in an amount equal to \$200,000 on each of February 1, 2014, May 1, 2014 and August 1, 2014 and \$50,000 on each of August 1, 2015, August 1, 2016, August 1, 2017 and March 21, 2018, the debenture's maturity date, which we may make in cash or common stock at our option subject to certain conditions. The debenture is convertible into shares of our common stock at a conversion price of \$4.29 per share. In connection with the debenture issuance, we also issued to Hillair five-year warrants to purchase 186,480 shares of our common stock at an exercise price of \$4.72 per share. Upon closing of this transaction, we retained Gentry Capital Advisors LLC (Gentry) as a financial advisor and agreed to pay Gentry a fee of \$50,000 over a period of 4 months commencing upon the closing of the debenture issuance. We also issued to Gentry five-year warrants to purchase 20,000 shares of common stock at an exercise price of \$4.72 per share. The warrants issued to each of Hillair and Gentry (and shares issuable upon exercise thereof) are not being registered on the registration statement of which this prospectus forms a part.

On March 27, 2013, we entered into a debt conversion agreement, and on March 31, 2013, June 10, 2013 and July 24, 2013, we entered into amendments thereto (as amended, the VTI Agreement) with Vast Technologies, Inc. (VTI). Pursuant to the VTI Agreement, VTI agreed to convert its outstanding secured promissory note, in the principal amount of \$838,096 (as of December 31, 2012), together with accrued interest thereon (equal to \$119,051 as of December 31, 2012) into shares of our common stock and warrants to purchase shares of our common stock with the same terms as the warrants offered in this offering, subject to the closing of this offering by August 31, 2013, at a conversion price equal to the public offering price. We agreed to prepare and file with the Securities and Exchange Commission (SEC), within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion and upon exercise of such warrants, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, we entered into a debt conversion agreement, and on April 1, 2013, June 10, 2013 and July 29, 2013, we entered into amendments thereto (as amended, the Kopin Agreement) with Kopin Corporation (Kopin). Pursuant to the Kopin Agreement, Kopin agreed to convert its outstanding secured promissory note, in the principal amount of \$482,547 (as of December 31, 2012), together with accrued interest thereon (equal to \$60,996 as of December 31, 2012) into shares of our common stock and warrants to purchase shares of our common stock with the same terms as the warrants offered in this offering, subject to the closing of this offering by August 31, 2013, at a conversion price equal to the public offering price. We agreed to prepare and file with the SEC, within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion and upon exercise of such warrants, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, we entered into a debt conversion agreement, and on March 31, 2013, June 10, 2013 and July 26, 2013, we entered into amendments thereto (as amended, the Travers Debt Conversion Agreement) with Paul Travers, our chief executive officer. Pursuant to the Travers Debt Conversion Agreement, Mr. Travers agreed to convert his outstanding secured promissory notes, in the aggregate principal amount of \$434,927, together with accrued interest thereon (equal to \$231,525 as of December 31, 2012), into shares of our common stock and warrants to purchase shares of our common stock with the same terms as the warrants offered in this offering, subject to the closing of this offering by August 31, 2013, at a conversion price equal to the public offering price. We agreed to prepare and file with the SEC, within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion and upon exercise of such warrants, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, we entered into a deferred compensation deferral and conversion option agreement, and on June 10, 2013 and July 26, 2013, we entered into an amendment thereto (as amended, the Travers Deferred Compensation Agreement) with Paul Travers, which agreement is subject to the closing of this offering by August 31, 2013, and which agreement is effective upon such closing. Pursuant to the Travers Deferred Compensation Agreement, Mr. Travers and we agreed that, unpaid salary owed to Mr. Travers, in the amount of \$815,168 (including \$268,536 in accrued interest, as of December 31, 2012), will be converted into shares of our common stock and warrants to purchase shares of our common stock with the same terms as the warrants offered in this offering, at a conversion price equal to the offering price of this offering. We granted to Mr. Travers piggyback and demand registration rights with respect to the shares of common stock issuable upon such conversion and upon exercise of such warrants.



On March 27, 2013, we entered into a deferred compensation deferral and conversion option agreement, and on June 10, 2013 and July 26, 2013, we entered into an amendment thereto (as amended, the Russell Deferred Compensation Agreement) with Grant Russell, our chief financial officer, which agreement is subject to the closing of this offering by August 31, 2013, and which agreement is effective upon such closing. Pursuant to the Russell Deferred Compensation Agreement, Mr. Russell and we agreed that, unpaid salary owed to Mr. Russell, in the amount of \$637,567 (including \$174,102 in accrued interest, as of December 31, 2012), will be converted into shares of our common stock and warrants to purchase shares of our common stock with the same terms as the warrants offered in this offering, at a conversion price equal to the offering price of this offering. We granted to Mr. Russell piggyback and demand registration rights with respect to the shares of common stock issuable upon such conversion and upon exercise of such warrants.

On July 15, 2013, we entered into and closed a securities purchase agreement with Hillair whereby we sold to Hillair, for a purchase price of \$200,000, (i) a \$200,000 16% senior secured convertible debenture due March 21, 2018, and (ii) a common stock purchase warrant to purchase up to 38,168 shares of our common stock. The debenture is convertible into shares of common stock at a conversion price of \$5.24 per share, subject to adjustments upon certain events. Interest on the Debenture accrues at the rate of 16% annually and is payable quarterly on February 1, May 1, August 1 and November 1, beginning on August 1, 2013, on any redemption, conversion and at maturity. Interest is payable in cash or at our option in shares of our common stock, provided certain conditions are met. Commencing on February 1, 2014, we will be obligated to redeem a certain amount under the debenture on a periodic basis in an amount equal to \$50,000 on each of February 1, 2014, May 1, 2014 and August 1, 2014 and \$12,500 on each of August 1, 2015, August 1, 2016, August 1, 2017 and March 21, 2018, until the debenture's maturity date of March 21, 2018. In lieu of a cash redemption and subject to our meeting certain equity conditions, we may elect to pay the such required redemption amounts in shares. The warrants may be exercised at any time on or after July 15, 2013 until March 21, 2018, at an exercise price of \$5.24 per share, subject to adjustments upon certain events. Our obligations under the debenture are secured under the terms of the security agreement dated as of March 27, 2013 between us, our subsidiaries and Hillair and the Subsidiary Guarantee dated March 27, 2013 between Hillair and our subsidiaries. Furthermore, we, Paul Travers, our Chief Executive Officer, and his controlled entity, acknowledged that our obligations under the debenture are considered "Obligations" under that certain Pledge Agreement by and among us, Hillair, Mr. Travers and Mr. Travers' controlled entity.

## **Our Business Strategy**

Our strategy is to establish and maintain a leadership position as a worldwide supplier of Video Eyewear and other virtual display technology solutions. We intend to offer our technologies across major markets, platforms and applications. We will strive to be an innovator in designing near-eye virtual display devices that enable new mobile video viewing, information access as well as general entertainment, VR and AR applications.

To maintain and enhance our position as a leading provider of near-eye virtual display solutions, we intend to:

- develop products for large consumer markets;
- improve our brand name recognition;
- maintain and exploit any cost advantage our technology can provide us;
- extend our proprietary technology leadership;
- broaden and develop strategic relationships and partnerships including offering to sell our products or license our technologies to third parties;
- expand market awareness for Video Eyewear including Smart Glasses for AR; and
- establish multiple revenue sources from markets, products and related software applications.

## **Risks Associated With Our Business**

Our business is subject to numerous risks described in the section entitled “Risk Factors” and elsewhere in this prospectus. You should carefully consider these risks before making an investment. Some of these risks include:

- Because our financial statements for 2012 include an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern, we may not be able to obtain any necessary financing.

We have incurred net losses since our inception and if we continue to incur net losses in the foreseeable future the market price of our common stock may decline.

We are in default under our loan agreement with our senior lender. As a result, the senior lender could foreclose on our assets, which ultimately could require us to curtail or cease operations.

We have depended on defense related engineering contracts and the sales of specialized products to defense customers, each of whom is a supplier to the U.S. government and as a result of the sale of the TDG Assets in June 2012, our sales and our revenues have materially declined and may not return to their prior levels or increase unless we develop new markets and products.

Our lack of long-term purchase orders and commitments from our customers may lead to a rapid decline in our sales and profitability.

If any of our major customers on whom we depend fails to pay us amounts owed in a timely manner, we could suffer a significant decline in cash flow and liquidity which, in turn, could cause us to fail to pay our liabilities and render us unable to purchase adequate inventory to sustain or expand our sales volume.

Our future growth and profitability may be adversely affected if our marketing initiatives are not effective in generating sufficient levels of brand awareness.

If we fail to accurately forecast seasonal demand for our consumer Video Eyewear products, our results of operations for the entire fiscal year may be materially adversely affected.

Our products require ongoing research and development and we may experience technical problems or delays and we may not have the funds necessary to continue their development, which could lead our business to fail.

Increased competition may result in decreased demand or lower prices for our products.

We depend on advances in technology by other companies and if those advances do not materialize, some of our anticipated new products could be delayed or cancelled.

We depend on third parties to provide integrated circuit chip sets and other critical components for use in our products.

In preparing our consolidated financial statements, our management determined that our disclosure controls and procedures and internal controls were ineffective as of December 31, 2012 which could result in material misstatements in our financial statements.

If we fail to keep pace with changing technologies, our business and results of operations may be materially adversely affected.

If microdisplay-based personal displays do not gain some reasonable level of acceptance in the market for mobile displays, our business strategy may fail.

There are a number of competing providers of microdisplay-based personal display technology and we may fail to capture a substantial portion of the personal display market.

Our business and products are subject to government regulation and we may incur additional compliance costs or, if we fail to comply with applicable regulations, may incur fines or be forced to suspend or cease operations.

Our products will likely experience rapidly declining unit prices and we may not be able to offset that decline with production cost decreases or higher unit sales.

If we cannot obtain and maintain appropriate patent and other intellectual property rights protection for our technology, our business will suffer.

Our products could infringe on the intellectual property rights of others.

If we lose our rights under our third-party technology licenses, our operations could be adversely affected.

Our business may expose us to product liability claims for damages resulting from the design or manufacture of our products. Product liability claims, whether or not we are ultimately held liable for them, could have a material adverse effect on our business and results of operations.

Our products may be subject to future health and safety regulations that could increase our development and production costs.

Our dependence on sales to distributors increases the risks of managing our supply chain and may result in excess inventory or inventory shortages.

· Our operating results may be adversely impacted by worldwide political and economic uncertainties and specific conditions in the markets we address.

· Our results of operations may suffer if we are not able to successfully manage our increasing exposure to foreign exchange rate risks.

· Due to our significant level of international operations, including the use of foreign contract manufactures, we are subject to international operational, financial, legal and political risks which could harm our operating results.

· We may lose the services of key management personnel and may not be able to attract and retain other necessary personnel.

· Our failure to effectively manage growth could harm our business.

· Our facilities and information systems and those of our key suppliers could be damaged as a result of disasters or unpredictable events, which could have an adverse effect on our business operations.

A failure of our information technology systems could materially adversely affect our business.

A breach of our cyber security systems could materially adversely affect our business.

Terrorism and the uncertainty of future terrorist attacks or war could reduce consumer confidence which could adversely affect our operating results.

We do not manufacture our own microdisplays, one of the key components of our Video Eyewear products, and we may not be able to obtain the microdisplays we need.

The consumer electronics industry is subject to significant fluctuations in the availability of components. If we do not properly anticipate the need for critical components, we may be unable to meet the demands of our customers and end-users.

Unanticipated disruptions in our operations or slowdowns by our suppliers, distributors and shipping companies could adversely affect our ability to deliver our products and service our customers.

The price of our common stock has been highly volatile and an investment in our common stock could suffer a decline in value.

Because our common stock is listed on the TSX Venture Exchange and not on any U.S. national exchange, investors in the United States may find it difficult to buy and sell our shares.

The rights of holders of common stock may be impaired by the possible future issuance of preferred stock.

The price adjustment provisions in the warrants being sold in this offering may make it more difficult and expensive for us to raise additional capital in the future and may result in further dilution to investors in this offering.

The warrants being sold in this offering contain full-ratchet anti-dilution protection upon the issuance of any common stock, securities convertible into common stock or certain other issuances at a price below the then-existing exercise price of the warrants and may make it more difficult and expensive for us to raise additional capital at prevailing market terms in the future.

The warrants are speculative in nature.

Our management will have broad discretion over the use of the net proceeds from this offering and we may use the net proceeds in ways with which you disagree.

Additional stock offerings in the future may dilute your percentage ownership of our company.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on your investment will likely be limited to the value of our common stock.

If our common stock becomes subject to the SEC's penny stock rules, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be adversely affected.

If management continues to own a significant percentage of our outstanding common stock, management may prevent other stockholders from influencing significant corporate decisions.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

## **Company Information**

We were incorporated in Delaware in 1997 as VR Acquisition Corp. In 1997, we changed our name to Kaotech Corporation. In 1998, we changed our name to Interactive Imaging Systems, Inc. In 2004, we changed our name to Vicuity Corporation and then to Icuiti Corporation. In September 2007, we changed our name to Vuzix Corporation.

Our principal executive offices are located at 2166 Brighton Henrietta Townline Road, Rochester, New York 14623. Our telephone number is (585) 359-5900. We maintain an Internet website at [www.vuzix.com](http://www.vuzix.com). The information contained on, connected to or that can be accessed via our website is not part of this prospectus. We have included our website address in this prospectus as an inactive textual reference only and not as an active hyperlink.

**Summary of the Offering**

<i>Securities offered by us</i>	shares of common stock and warrants to purchase shares of common stock ( shares and warrants if the underwriters exercise their over-allotment option in full)
<i>Common Stock to be outstanding after this offering</i>	shares ( if the warrants are exercised in full). If the underwriters' over-allotment option is exercised in full, the total number of shares of common stock outstanding immediately after this offering would be ( if the warrants are exercised in full).
<i>Description of Warrants</i>	The warrants will have a per share exercise price equal to \$ [112.5% of public offering price of the common stock and warrants]. The warrants are exercisable immediately and expire five years from the date of issuance
<i>Use of proceeds</i>	We expect to use the net proceeds received from this offering to complete commercialization of our smart glasses and waveguide optic technologies, repayment of debt in the amount of approximately \$2,024,500 (including a \$200,000 prepayment penalty) and for working capital and general corporate purposes. See "Use of Proceeds" on page 26.
<i>Risk factors</i>	See "Risk Factors" beginning on page 10 and the other information included in this prospectus for a discussion of factors you should carefully consider before investing in our securities.
<i>OTCQB, TSX Venture Exchange and Frankfurt Stock Exchange trading symbols of common stock</i>	VUZI, VZX, and V7XN, respectively. We anticipate that, upon the closing of this offering, our common stock will be delisted from the TSX-V.

Unless we indicate otherwise, all information in this prospectus:

- is based on 3,536,865 shares of common stock issued and outstanding as of July 26, 2013; includes all historical and pro forma common stock and per share data in this prospectus that have been
- retroactively restated to account for the reverse split of our outstanding common stock, effected on February 6, 2013;
- assumes no exercise by the underwriters of their option to purchase up to an additional shares of common stock and/or warrants to cover over-allotments, if any;
- excludes 192,211 shares of our common stock issuable upon exercise of outstanding stock options under our stock incentive plans at a weighted average exercise price of \$10.80 per share as of July 26, 2013;
- excludes 45,000 shares of our common stock issuable upon exercise of options which we intend to grant under our stock incentive plan to our three non-employee directors at the closing of this offering at an exercise price equal to



the offering price;

· excludes 900,069 shares of our common stock issuable upon exercise of outstanding warrants at a weighted average exercise price of \$6.77 per share as of July 26, 2013;

· excludes 307,535 shares of our common stock issuable upon conversion of outstanding convertible debt at a weighted average conversion price of \$5.26 per share as of July 26, 2013;

· excludes