

VIISAGE TECHNOLOGY INC
Form S-4/A
July 26, 2006
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As filed with the Securities and Exchange Commission on July 26, 2006

Registration No. 333-131843

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4 to

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

VIISAGE TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7373
(Primary Standard Industrial
Classification Code Number)

04-3320515
(I.R.S. Employer
Identification Number)

296 Concord Road,

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Billerica, MA 01821

(978)-932-2200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of

Registrant's Principal Executive Offices)

Bernard C. Bailey

Chief Executive Officer

Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, MA 01821

(978) 932-2200

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

With Copies to:

Charles J. Johnson, Esq.	Elliot J. Mark, Esq.	Mark S. Molina, Esq.	Richard A. Peers, Esq.
Frederick P. Callori, Esq.	Senior Vice President and General Counsel	Chief Legal Officer and Secretary	Kyle Guse, Esq.
Choate, Hall & Stewart LLP	Viisage Technology, Inc.	Identix Incorporated	Heller Ehrman LLP
Two International Place	296 Concord Road	5600 Rowland Road, Suite 205	275 Middlefield Road
Boston, MA 02210	Third Floor	Minnetonka, MN 55343	Menlo Park, California 94025-3506
(617) 248-5000	Billerica, MA 01821	(952) 932-0888	(650) 324-7000
	(978) 932-2200		

Approximate date of commencement of proposed sale of the securities to the public: Upon the closing of the merger described herein.

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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, 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, 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. "

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

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

[], 2006

Dear Viisage and Identix Stockholders:

A MERGER PROPOSAL YOUR VOTE IS IMPORTANT

Viisage Technology, Inc. and Identix Incorporated have agreed to a merger whereby Identix will merge with a subsidiary of Viisage, and Identix will become a wholly owned subsidiary of Viisage. At the closing of the merger, Viisage will change its name to L-1 Identity Solutions, Inc. We are proposing this merger to our respective stockholders because we believe the combined strengths of our two companies will enable us to create a global leader in the identity and security industry.

When the merger is completed, stockholders of Identix will be entitled to receive for each share of Identix common stock 0.473 of a share of Viisage common stock. Approximately 42.5 million shares of Viisage common stock will be issued in connection with the merger. In addition, approximately 3.1 million shares will be issuable on exercise of Identix options and approximately 418,000 shares issuable on exercise of Identix warrants to be assumed by Viisage. Viisage's common stock is listed on the Nasdaq National Market under the trading symbol **VISG** and Identix common stock is listed on the Nasdaq National Market under the trading symbol **IDNX**. On July 24, 2006, the closing price of Viisage common stock was \$16.43 and the closing price of Identix common stock was \$7.51 per share, each as reported on the Nasdaq National Market.

After careful consideration, the Viisage board of directors recommends that Viisage stockholders vote FOR the proposal to approve the issuance of shares of Viisage common stock in connection with the merger, FOR the proposals to amend Viisage's certificate of incorporation as described in this joint proxy statement/prospectus, FOR the proposal to elect four Class I directors for three year terms, FOR the adoption of Viisage's 2006 Employee Stock Purchase Plan and FOR the ratification of Deloitte & Touche as Viisage's independent registered public accounting firm.

After careful consideration, the Identix board of directors recommends that Identix stockholders vote FOR the proposal to adopt the merger agreement that has been entered into between the parties.

This joint proxy statement/prospectus provides detailed information concerning Viisage, Identix, the merger and proposals related to the merger, the election of four Class I directors to the Viisage board of directors to serve until the annual meeting of stockholders in 2009, the adoption of Viisage's 2006 Employee Stock Purchase Plan and the ratification of Deloitte & Touche as Viisage's independent registered public accounting firm. **We encourage you to read this joint proxy/prospectus, including the section entitled Risk Factors that begins on page 11.**

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Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting of stockholders of your company, please submit a proxy as soon as possible to make sure your shares are represented at your company's special meeting. Please take the time to submit your proxy by following the instructions presented by your company in this joint proxy/prospectus.

We strongly support this combination of our companies and join with our boards of directors in recommending that you vote in favor of the proposals described in this joint proxy statement/prospectus.

Bernard C. Bailey

President and Chief Executive Officer

of Viisage Technology, Inc.

Dr. Joseph J. Atick

President and Chief Executive Officer

of Identix Incorporated

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the issuance of common stock in connection with the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated _____, 2006, and is first being mailed to stockholders of both Identix and Viisage on or about _____, 2006.

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Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, MA 01821

NOTICE OF SPECIAL MEETING IN LIEU OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On August 29, 2006

To Our Stockholders:

You are cordially invited to attend a special meeting in lieu of an annual meeting of the stockholders of Viisage Technology, Inc., a Delaware corporation, at 10:00 am, Eastern Daylight Time, on August 29, 2006 at _____, Stamford Connecticut, _____.

At the meeting, you will be asked to:

1. Consider and vote upon a proposal to approve the issuance and reservation for issuance of shares of Viisage common stock to holders of Identix Incorporated securities pursuant to the Agreement and Plan of Reorganization, dated as of January 11, 2006, by and among Viisage, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, and Identix, as amended on July 7, 2006 and as the same may be further amended from time to time (referred to as the merger agreement and the amendment is referred to as the merger agreement amendment);
- 2A. Consider and vote upon a proposal to approve an amendment to Viisage's certificate of incorporation to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares, \$0.001 par value per share, to 125,000,000 shares, \$0.001 par value per share, and correspondingly change Viisage's total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares;
- 2B. Consider and vote upon a proposal to approve an amendment to Viisage's certificate of incorporation to change Viisage's name to L-1 Identity Solutions, Inc.;
- 2C. Consider and vote upon a proposal to approve an amendment to Viisage's certificate of incorporation to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment;

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- 2D. Consider and vote upon a proposal to approve an amendment to Viisage's certificate of incorporation to require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment;
- 2E. Consider and vote upon a proposal to approve an amendment to Viisage's certificate of incorporation to provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage's certificate of incorporation relating to Proposals 2C or 2D;
3. Consider and vote upon an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals;
4. Elect four Class I directors for three-year terms;
5. To approve the adoption of Viisage's 2006 Employee Stock Purchase Plan;
6. To ratify the selection of Deloitte & Touche LLP as Viisage's independent registered public accounting firm for the year ending December 31, 2006; and
7. Transact such other business as may properly come before the meeting.

While these proposals are being voted upon separately, each of the first six proposals (Proposals 1 through 2E) must be approved in order for any of these six proposals to be implemented.

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The board of directors of Viisage recommends that you vote FOR all ten proposals described above.

Only Viisage stockholders of record at the close of business on June 30, 2006, the record date, are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting. A list of stockholders eligible to vote at the meeting will be available for your review during our regular business hours at our headquarters in Billerica, Massachusetts for at least ten days prior to the special meeting for any purpose related to the special meeting.

Whether or not you plan to attend the special meeting in person, to ensure that your shares are represented at the special meeting, we encourage you to submit your proxy by telephone, Internet or mail in the enclosed postage-paid envelope. Any executed but unmarked proxy cards will be voted for approval of each of the nine proposals described above. Returning your proxy does not deprive you of your right to attend the special meeting and to vote your shares in person. You may revoke your proxy in the manner described in this joint proxy statement/prospectus at any time before it has been voted at the special meeting.

By Order of the Board of Directors of Viisage
Technology, Inc.

Bernard C. Bailey

President and Chief Executive Officer

, 2006

Billerica, Massachusetts

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IDENTIX INCORPORATED

5600 Rowland Road, Suite 205

Minnetonka, MN 55343

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On August 29, 2006

To Our Stockholders:

You are cordially invited to attend a special meeting of stockholders of Identix Incorporated, a Delaware corporation, at the Sheraton Bloomington Hotel, Minneapolis South, 7800 Normandale Boulevard, Minneapolis, Minnesota 55439 on August 29, 2006 at 9:00 a.m., Central Daylight Time.

At the special meeting of stockholders, you will be asked to:

1. Consider and vote upon a proposal to adopt the Agreement and Plan of Reorganization, dated as of January 11, 2006, by and among Viisage, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, and Identix, as amended on July 7, 2006, and as the same may be further amended from time to time, providing for the merger of VIDS Acquisition Corp. with and into Identix whereby, among other things, each outstanding share of Identix common stock will be converted into the right to receive 0.473 of a share of Viisage common stock; and
2. Consider and vote upon an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Each of the foregoing items of business is more fully described in this joint proxy statement/prospectus, which we encourage you to read carefully. Stockholders of record at the close of business on June 30, 2006, are entitled to notice of and to vote at the special meeting and any adjournment or postponement thereof. Adoption of the Agreement and Plan of Reorganization will require the affirmative vote of a majority of the outstanding shares of Identix common stock entitled to vote.

The board of directors of Identix recommends that you vote FOR Proposal No. 1 for adoption of the Agreement and Plan of Reorganization and FOR Proposal No. 2 for an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1.

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To ensure that your shares are represented at the special meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the postage-paid envelope provided or follow the telephone or Internet proxy submission instructions on the proxy card, whether or not you plan to attend the special meeting in person. Any executed but unmarked proxy cards will be voted for adoption of the Agreement and Plan of Reorganization and approval of Proposal No. 2. You may revoke your proxy in the manner described in the accompanying joint proxy statement/prospectus at any time before it has been voted at the special meeting. Any stockholder attending the special meeting may vote in person even if such stockholder has returned a proxy card or submitted a proxy by telephone or using the Internet.

By Order of the Board of Directors of Identix
Incorporated

Dr. Joseph J. Atick

President and Chief Executive Officer

Minnetonka, Minnesota

, 2006

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Identix from documents filed with the Securities and Exchange Commission that are not included in or delivered with this joint proxy statement/prospectus. This joint proxy statement/prospectus does not include some information included in the registration statement on Form S-4 filed with the Securities and Exchange Commission by Viisage, of which this proxy statement/prospectus is a part, or information included in the exhibits to the registration statement.

Viisage and Identix will provide you with copies of this information, without charge, upon written or oral request to:

Viisage Technology, Inc.	Identix Incorporated
296 Concord Road, Third Floor	5600 Rowland Road, Suite 205
Billerica, MA 01821	Minnetonka, Minnesota 55343
Attention: Maureen Todaro	Attention: Damon Wright
Telephone: (978) 932-2438	Telephone: (952) 979-8485

In order for you to receive timely delivery of the documents in advance of the special meetings, such request should be received no later than August 24, 2006 (which is at least five business days before the date of the special meetings). Upon timely request, the information you requested will be mailed to you by first class mail by the next business day.

See [Where You Can Find More Information](#) beginning on page 226.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER
AND SPECIAL MEETINGS OF STOCKHOLDERS**

The following questions and answers are intended to address briefly some commonly asked questions regarding the Viisage and Identix special meetings and the merger. These questions and answers may not address all of the information that may be important to you. Please refer to the more detailed information contained elsewhere in this joint proxy statement/prospectus, the annexes to this joint proxy statement/prospectus and in the documents referred to or incorporated by reference in this joint proxy statement/prospectus.

Q: What is the merger?

A: Viisage and Identix have entered into an Agreement and Plan of Reorganization, dated as of January 11, 2006, as amended on July 7, 2006, (referred to in this joint proxy statement/prospectus as the merger agreement and the amendment is referred to as the merger agreement amendment), that contains the terms and conditions of the proposed business combination of Viisage and Identix. Under the merger agreement, Identix and VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, will merge, with Identix surviving as a wholly owned subsidiary of Viisage (referred to as the merger). The shares of Viisage common stock issued to Identix stockholders in connection with the merger are expected to represent approximately 59% of the outstanding shares of Viisage common stock immediately following the closing of the merger, based on the number of shares of Viisage and Identix common stock outstanding on the Identix record date. Although Viisage will change its name to L-1 Identity Solutions, Inc. at the closing of the merger, L-1 Identity Solutions, Inc. is referred to as Viisage or the combined company in this joint proxy statement/prospectus.

For a more complete description of the merger, see the section entitled The Merger on page 58.

Q: Why are Viisage and Identix merging?

A: Both Viisage and Identix believe that combining the two companies will expand and better serve the addressable market and result in greater long-term growth opportunities than either company has operating alone. The combined company will be able to address its customers' needs for end-to-end identity protection solutions and unlock the potential of both organizations' strengths in biometrics, credentialing and imaging solutions. Viisage and Identix expect completion of the merger will enable the combined company to:

blend complementary assets, skills and strengths that will result in a balanced end-to-end product, services and integration provider;

support the growing market for multiple identity programs and meet rigorous government mandates;

better serve the needs of customers by providing a comprehensive portfolio of product and service offerings;

utilize an extensive network and product suite and continue development and deployment of new and improved technologies and equipment;

take advantage of financial synergies;

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have the scale, size and flexibility to better compete in the marketplace; and

be led by an experienced management team.

With its broader product offering and increased scale, the combined company will be strongly positioned to deliver comprehensive solutions for protecting and securing personal identities on a global scale.

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

- A. You are receiving this joint proxy statement/prospectus because you have been identified as a stockholder of either Viisage or Identix, and thus you may be entitled to vote at such company's special meeting. This document serves as both a joint proxy statement of Viisage and Identix, used to solicit proxies for the special meetings, and as a prospectus of Viisage, used to offer shares of Viisage common stock in exchange for shares of Identix common stock pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of Viisage and Identix, and you should read it carefully.

Q: What is required to complete the merger?

- A. To complete the merger, Viisage stockholders must approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger and approve amendments to Viisage's certificate of incorporation to increase the authorized number of shares of common stock; change Viisage's name; grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two-thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; provide for the approval of two-thirds of the entire board of directors and independent directors to further amend the sections of Viisage's certificate of incorporation relating to the preceding two proposals. The merger agreement provides that the merger (Proposal 1), as well as all of the amendments to Viisage's certificate of incorporation (Proposals 2B through 2E), must be approved as a condition to the merger. Although Viisage and Identix can waive this condition in the event any of Proposals 2B-2E are not approved, Proposals 1 and 2A must be approved in order for the merger to be consummated. Proposals 2B-2E are conditions to the merger because they are designed to reflect board representation between the two companies, subject to the right of stockholders to nominate, elect and remove directors. In addition, Identix stockholders must adopt the merger agreement. In addition to obtaining stockholder approval, Viisage and Identix must satisfy or waive all other closing conditions set forth in the merger agreement. Those conditions include, for example, that Viisage and L-1 Investment Partners, LLC (referred to as L-1) shall have entered into a termination and noncompete agreement in a form satisfactory to Identix. For a more complete discussion of the conditions to the closing, see the section entitled "The Merger Agreement Conditions to Completion of the Merger" on page 110, and for more information relating to the termination and noncompete agreement, see "Certain Relationships and Related Transactions Relationship with L-1 Investment Partners, LLC" on page 217.

Q: What will Identix stockholders be entitled to receive pursuant to the merger?

- A. If the merger is completed, Identix common stockholders will be entitled to receive 0.473 shares of Viisage common stock for each outstanding share of Identix common stock they hold at the time of the closing of the merger and cash in lieu of any fractional shares of Viisage common stock otherwise issuable in connection with such conversion.

Based on the exchange ratio and the number of shares of Identix common stock outstanding as of the Identix record date, a total of approximately 42.5 million shares of Viisage common stock will be issued in connection with the merger to holders of Identix common stock.

For a more complete description of what Identix stockholders will receive in the merger, see the section entitled "The Merger Agreement Consideration to be Received in Connection with the Merger; Treatment of Stock Options" on page 101.

Q: Why does Viisage need to amend its certificate of incorporation?

- A.

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The amendment to Viisage's certificate of incorporation authorizing additional shares of common stock is required by the merger agreement and is necessary for Viisage to have enough authorized common stock to

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close the merger and have the flexibility to meet business needs and take advantage of opportunities as they arise. The additional shares would also be available for other corporate purposes, such as acquisitions of businesses and for Viisage's employee benefit plans. In addition, as required by the merger agreement, Viisage is also proposing to amend its certificate of incorporation to change Viisage's name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage's certificate of incorporation relating to the preceding two proposals.

Q: How does Viisage's board of directors recommend that I vote?

- A. After careful consideration, Viisage's board of directors recommends that Viisage stockholders vote FOR Proposal No. 1 to approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger, FOR Proposals No. 2A-2E to approve amendments to Viisage's certificate of incorporation to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares to 125,000,000 shares, and correspondingly change Viisage's total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares; change Viisage's name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage's certificate of incorporation relating to the preceding two proposals; FOR Proposal No. 3 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals; FOR Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors; FOR Proposal No. 5 to approve the adoption of Viisage's 2006 Employee Stock Purchase Plan; and FOR Proposal No. 6 to ratify the selection of Deloitte & Touche LLP as Viisage's independent registered public accounting firm for the year ending December 31, 2006. While Proposal No. 1 and Proposals No. 2A-2E are being voted upon separately, each of these six proposals relates to the merger and must be approved in order for any of them to be implemented.

Q: Do the directors, executive officers, principal stockholders and affiliates of Viisage have interests in the merger that are different from mine?

In considering the Viisage board of directors' recommendation that you vote to approve Proposals 1, 2A-2E and 3, you should be aware that some Viisage officers, directors, principal stockholders and affiliates may have interests in the merger that are different from, or in addition to, your interests. Among other things, these interests include:

the vesting of options and restricted shares held by directors and officers of Viisage that will be accelerated upon completion of the merger in accordance with the terms of the option agreements, restricted stock agreements and the applicable stock based compensation plan;

Viisage will continue certain indemnification arrangements for persons serving as directors and officers prior to the time of the merger;

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pursuant to an employment agreement to be entered into with the combined company, Mohamed Lazzouni, current Chief Technology Officer and Senior Vice President of Viisage, will serve as Chief Technology Officer of the combined company;

pursuant to a separation agreement to be entered into with Viisage, Bernard C. Bailey, current Chief Executive Officer of Viisage, will receive, subject to the consummation of the merger, one lump sum severance payment of \$530,000 to be paid on January 1, 2007, which is equal to 12 months current base salary plus a target bonus of \$200,000; a prorated bonus payment for 2006 based on a current target bonus of \$200,000 to be paid on the termination date, as defined in the separation agreement; in connection with his agreement to expand the scope of his non-competition arrangement with Viisage, a payment of \$530,000; on the first pay period following the closing of the merger, an integration incentive bonus of \$105,000; and, because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Bailey's stock options and restricted stock grants will immediately vest in full, and, pursuant to his severance agreement, will be exercisable for 12 months from the termination date;

pursuant to a separation agreement to be entered into with Viisage, Bradley T. Miller, current Chief Financial Officer of Viisage, will receive, subject to the consummation of the merger, a lump sum severance payment in an amount of \$225,000, which is equal to 12 months current base salary; a prorated bonus payment for 2006 based on a current target bonus of \$100,000; on the first pay period following the closing of the merger, an integration incentive bonus of \$20,000; and, because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Miller's stock options and restricted stock grants will immediately vest in full, and, pursuant to his severance agreement, will be exercisable for twelve months from the termination date;

each current independent Viisage board member will receive ordinary course 2006 compensation for board service, which has been prorated for the period beginning January 1, 2006 through the anticipated effective date of the merger, as follows: \$37,500 for board service (plus \$3,125 for the audit committee chair and \$2,187.50 for the other two committee chairs), of which up to 50% may be paid in cash and the balance paid in Viisage common stock; and options to purchase 2,500 shares of Viisage common stock;

for services provided in connection with the merger, current independent Viisage board members will receive an aggregate of 80,000 options to purchase Viisage common stock, which will be fully vested and exercisable at a price equal to the closing price of the Viisage common stock at the effective time of the merger to be allocated as follows: Mr. Nessen will receive 20,000 options, Messrs. Reilly, Levine and Gelbard and Ms. Mouchly-Weiss will each receive 12,500 options; and Messrs. Berube, Beck, Principato and Tenet will each receive 2,500 options;

Viisage board members who do not continue as directors of Viisage will retire from the Viisage board at the closing of the merger and will (i) be given two years to exercise vested options and (ii) receive a one-time cash payment of \$100,000 at the closing of the merger;

the combined company's board of directors will initially consist of thirteen directors, nine of whom will be designated by Viisage, which will include Messrs. LaPenta, Nessen, Gelbard, Berube, Beck, Loy, Freeh and Tenet and Ms. Mouchly-Weiss, current Viisage directors;

Mr. LaPenta will be appointed as Chairman of the Board, Mr. Nessen will be appointed as chairman of the audit committee and as a member of the nominating and governance committee, Mr. Gelbard will be appointed as chairman of the nominating and governance committee, Messrs. Berube, Tenet and Beck will be appointed as members of the compensation committee, Mr. Loy will be appointed as a member of the audit committee, and Mr. Freeh and Ms. Mouchly-Weiss will be appointed as members of the audit and nominating and governance committees of the combined company; and

each member of the Viisage board of directors, each of the executive officers and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members) of Viisage, who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of

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Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements.

In addition, Aston, which beneficially owns approximately 28.5% of our common stock as of June 30, 2006 (or 29.1% when considered with its affiliate, L-1), and certain affiliates of L-1 and Aston, may have interests in the merger that are different from, or in addition to, your interests. These potential conflicts of interest include:

Robert V. LaPenta, current Chairman of Viisage and an affiliate of L-1 and Aston Capital Partners, L.P., which together beneficially hold as of June 30, 2006 approximately 29.3% of Viisage's outstanding capital stock, will serve as the Chairman of the Board and President and Chief Executive Officer;

James DePalma, Joseph Paresi and Doni Fordyce, who are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company. Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive initial annual base salaries of \$550,000, \$325,000, \$225,000 and \$200,000, respectively, plus certain bonuses, options to purchase an aggregate 720,000 shares of Viisage common stock and other benefits, pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years;

in accordance with the terms of an investment agreement between Viisage and Aston, Viisage issued warrants to Aston to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of \$13.75 per share of which 1,280,000 vest on a pro rata basis when and if acquisitions involving the payment of an aggregate consideration of \$125 million are consummated by Viisage or upon a change of control of Viisage. Upon closing of the merger, 358,400 previously unvested acquisition-related warrants will vest;

pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of \$2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and in connection with the merger, of which \$2.0 million will be allocated to the merger and \$0.5 million will be allocated to the acquisition of SecuriMetrics. This one-time fee compensates L-1 for services provided by L-1, including, assisting Viisage in (1) analyzing the operations and historical performance of target companies (which include SecuriMetrics, Identix and other potential transactions that have not been consummated); (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other acquisition-related matters. L-1 is not entitled to any other fees;

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties;

in connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage will enter into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately \$720,000 per year; and

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in connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of

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Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of \$2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future. Viisage waived any claims it may have against Bear Stearns with respect to any actual or potential conflicts of interest that may arise with respect to these relationships in the context of the Bear Stearns engagement.

Although the respective parties have agreed on the material terms of the employment agreements for Messrs. LaPenta, DePalma, Paresi and Lazzouni and Ms. Fordyce and the separation agreements for Messrs. Bailey and Miller, each as discussed above, these agreements have not been finalized as of the date of this joint proxy statement/prospectus. Viisage expects to finalize these agreements, as well as the consulting agreement and sublease with L-1, prior to the closing of the merger. For information about the material terms of the compensation arrangements and severance payments, see *Employment and Change in Control Arrangements* on page 88 of this joint proxy statement/prospectus. For more information about the consulting agreement and sublease to be entered into with L-1, see *Certain Relationships and Related Transactions* beginning on page 217 of this joint proxy statement/prospectus.

Q: What is the interrelationship among Robert LaPenta, James DePalma, Joseph Paresi, Doni Fordyce, L-1 Investment Partners LLC (L-1), Aston Capital Partners L.P. (Aston), the Integrated Biometric Technology, Inc. (IBT) acquisition and the merger?

A: L-1 is an entity formed on March 31, 2005 by Robert V. LaPenta, James DePalma, Joseph Paresi and Doni Fordyce for the purpose of evaluating investments in the biometrics and identity solutions sector and to act as investment manager for Aston. Aston is a private investment partnership that was formed on October 12, 2005 and its purpose is to make investments primarily in companies that focus on utilizing biometric enabling technologies to provide identification/authentication security solutions as well as related law enforcement security technologies and related industries. Pursuant to the terms of an investment advisory agreement between Aston and L-1, Aston's investments are managed by L-1. In anticipation of the formation of Aston, L-1 entered into an investment agreement with Viisage on October 5, 2005 which was assigned to Aston following its formation on October 12, 2005. Aston consummated its investment in Viisage in December 2005, and as a result, Aston beneficially owns approximately 28.5% of Viisage's outstanding capital stock (or 29.1% when considered with its affiliate, L-1). See the section entitled *Recent Developments Aston Investment and IBT Acquisition; Reverse Stock Split* on page 8 for more information relating to the investment transaction.

Aston acquired its interest in Viisage to build it into an industry leader through collaborative development and execution of growth strategies through acquisitions. As part of its investment in Viisage, Aston was granted warrants to purchase up to 1,280,000 shares of Viisage common stock which would vest on a pro rata basis when and if acquisitions involving payment of an aggregate consideration of \$125 million were consummated by Viisage or upon a change in control of Viisage.

In anticipation of his role as Chairman of Viisage and in order to maximize the value of Aston's investment in Viisage, Robert V. LaPenta and the other principals of L-1 began to actively seek strategic investments for Viisage immediately upon signing the investment agreement in October 2005, subject to review by and the approval of the Viisage Board of Directors. For example, during the pendency of Aston's investment in Viisage, on November 4, 2005, L-1, in its capacity as investment manager to Aston, entered into an agreement with IBT pursuant to which Aston purchased 60% of the outstanding capital stock of IBT, with the right to acquire the remaining 40%. At the time Aston's investment in Viisage was consummated, Aston transferred all of its IBT shares and rights to acquire IBT to Viisage. See the section entitled *Recent Developments Aston Investment and IBT Acquisition; Reverse Stock Split* for more details relating to the IBT transactions. In addition, on November 9, 2005, Mr. LaPenta had preliminary discussions with a representative of Identix to explore the possibility of a strategic relationship between Viisage and Identix. See the section entitled *Viisage Proposal No. 1 and Identix Proposal No. 1 The Merger Background of the Merger* on page 58.

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Q: How will the merger benefit Robert LaPenta, James DePalma, Joseph Paresi and Doni Fordyce, all of whom are affiliates of L-1 and Aston?

A: Robert LaPenta, current Chairman of Viisage, will serve as the Chairman of the Board and President and Chief Executive Officer of the combined company. James DePalma, Joseph Paresi and Doni Fordyce, who are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company. Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive initial annual base salaries of \$550,000, \$325,000, \$225,000, and \$200,000, respectively, plus certain bonuses, options to purchase an aggregate 720,000 shares of common stock of Viisage and other benefits, pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years.

Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce directly and indirectly hold all of the beneficial ownership in Aston's general partner and L-1. Accordingly, any benefits to Aston and L-1 will correspondingly benefit Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce. In accordance with the terms of an investment agreement between Viisage and Aston, Viisage issued warrants to Aston to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of \$13.75 per share of which 1,280,000 vest on a pro rata basis when and if acquisitions involving the payment of an aggregate of \$125 million are consummated by Viisage or upon a change of control of Viisage. As of the date hereof, 921,600 of the acquisition-related warrants are vested. The remaining 358,400 of the 1,280,000 acquisition-related warrants that have not yet vested will vest at the close of the merger.

Pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of \$2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and in connection with the merger, of which \$2.0 million will be allocated to the merger and \$0.5 million will be allocated to the acquisition of SecuriMetrics. This one-time fee compensates L-1 for services provided by L-1, including assisting Viisage in (1) analyzing the operations and historical performance of target companies (which include SecuriMetrics, Identix and other potential transactions that have not been consummated); (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other acquisition-related matters. L-1 is not entitled to any other fees.

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties.

In connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage will enter into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately \$720,000 per year.

In connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of \$2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future. Viisage waived any claims it may

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have against Bear Stearns with respect to any actual or potential conflicts of interest that may arise with respect to these relationships in the context of the Bear Stearns engagement.

Although the respective parties have agreed on the material terms of the employment agreements for Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce, these agreements have not been finalized as of the date of this joint proxy statement/prospectus. Viisage expects to finalize these agreements, as well as the consulting agreement and sublease with L-1, prior to the closing of the merger. For information about the material terms of the compensation arrangements and severance payments, see *Employment and Change in Control Arrangements* on page 88 of this joint proxy statement/prospectus. For more information about the consulting agreement and sublease to be entered into with L-1, see *Certain Relationships and Related Transactions* beginning on page 216 of this joint proxy statement/prospectus.

Q: How does Identix board of directors recommend that I vote?

- A. After careful consideration, Identix board of directors recommends that the Identix stockholders vote FOR Proposal No. 1 to adopt the merger agreement and FOR Proposal No. 2 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

For a description of the reasons unde