

MITEK SYSTEMS INC
Form S-4
November 08, 2006
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As filed with the Securities and Exchange Commission on November 8, 2006

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MITEK SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

6770
(Primary Standard Industrial
Classification Code Number
Mr. James B. DeBello

87-0418827
(I.R.S. Employer
Identification Number)

Chief Executive Officer and President

8911 Balboa Ave., Suite B

San Diego, California 92123

(858) 503-7810

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

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

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With Copies To:

Robert G. Copeland, Esq.	Kristin L. Lentz, Esq.
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San Diego, California 92101	Denver, Colorado 80202
(619) 744-2200	(303) 892-9400

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

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 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. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be			Amount of Registration Fee
	Registered ⁽¹⁾	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price ⁽²⁾	
Common Stock, par value \$0.01 per share	51,869,458	\$ 1.50	\$ 77,804,187	\$ 8,325.05

- (1) The shares of Common Stock to be registered consist of shares to be issued to the members of Parascript, LLC in consideration of the proposed merger of a wholly-owned subsidiary of the Registrant and Parascript, LLC.
- (2) Estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(c) of the Securities Act, based on the average of the high and low prices of Mitek's Common Stock on the Over the Counter Bulletin Board on November 2, 2006, which was \$1.50.

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 that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of such state.

PRELIMINARY COPY

SUBJECT TO COMPLETION, DATED NOVEMBER 8, 2006

SPECIAL MEETINGS OF STOCKHOLDERS AND UNITHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The board of directors of Mitek and the manager of Parascript have unanimously approved a transaction under the terms of a merger agreement whereby a wholly-owned subsidiary of Mitek will merge with and into Parascript, with Parascript being the surviving company in the merger. After the merger, Mitek will own all of the securities of Parascript and Parascript will be a wholly-owned subsidiary of Mitek.

In the merger, the members of Parascript will collectively receive approximately \$80 million in cash, subject to certain adjustments, and 51,869,458 shares of Mitek common stock, less a certain number of shares to be held in escrow. Funding for the merger is to be provided by a combination of \$35 million in senior subordinated convertible notes, \$55 million in senior secured debt and a \$5 million revolving line of credit from Plainfield Offshore Holdings VIII Inc. and/or its affiliates (collectively, Plainfield). The senior subordinated notes will initially be convertible into approximately 21.9 million shares of Mitek common stock at a conversion price of \$1.60 per share, subject to adjustment. Upon completion of the merger and on a fully-diluted and as-converted basis, current Mitek stockholders will own approximately 22% of the company, Parascript unitholders will own approximately 55% and Plainfield will own approximately 23% and does not include certain shares of the combined company to be issued to certain officers thereof upon completion of the merger. (Please see Agreements with Executive Officers Following the Merger on page 125). Mitek's stock is listed on the OTC Bulletin Board, which we refer to as the OTC. On November 6, 2006, the closing sales price of Mitek's common stock, which trades on the OTC under the symbol MITK.OB, was \$1.45 per share.

For a discussion of the risks relating to the merger, see Risk Factors beginning on page 28 of the joint proxy statement/prospectus.

Mitek and Parascript are each holding special meetings to obtain the approvals necessary to complete the merger. A special meeting of Mitek stockholders is being held to approve (i) the issuance of Mitek's common stock pursuant to the merger and the merger agreement, dated as of September 18, 2006 by and among Mitek, a wholly-owned subsidiary of Mitek, and Parascript, (ii) the change of Mitek's name to Parascript, Inc., (iii) the increase in the number of authorized shares of Mitek to a number sufficient to complete the merger and to reserve for issuance upon conversion of the senior subordinated convertible notes, (iv) the issuance of debt convertible into shares of Mitek common stock, (v) an increase in the number of shares issuable under the Mitek Systems, Inc. 2006 Stock Option Plan, and an increase in the maximum number of shares which can be granted to one person in any one year to 3,500,000 and (vi) a reverse stock split of Mitek's common stock. Upon the effectiveness of the amendment of the Mitek certificate of incorporation effecting the reverse stock split, referred to as the split effective time, the issued shares of Mitek common stock immediately prior to the split effective time will be reclassified into a smaller number of shares such that each stockholder of the combined company will own one new share of common stock for each 4 to 8 shares of issued common stock, depending on the split ratio, held by that stockholder immediately prior to the split effective time. The exact split ratio within the 1:4 to 1:8 range will be determined by the board of directors prior to the split effective time and will be publicly announced by the combined company. A special meeting of Parascript unitholders is being held to approve the merger and the merger agreement. Information about these meetings and the proposals is contained in this joint proxy statement/prospectus. We encourage you to read this entire joint proxy statement/prospectus carefully, as well as the annexes and information incorporated by reference herein.

After careful consideration, the Mitek board of directors and the Parascript manager have approved the merger agreement and the respective proposals described in the accompanying joint proxy statement/prospectus, and each of the Mitek board of directors and Parascript manager has determined that it is advisable to enter into the merger agreement and to consummate the merger. The Mitek board of directors unanimously

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recommends that the Mitek stockholders vote FOR the issuance of stock in connection with the merger agreement and the related proposals described in the accompanying joint proxy statement/prospectus. The Parascript manager recommends that the Parascript unitholders vote FOR the merger agreement described in the accompanying joint proxy statement/prospectus.

More information about Mitek, Parascript and the proposed transaction is contained in this joint proxy statement/prospectus. **Mitek and Parascript urge you to read this joint proxy statement/prospectus carefully and in its entirety. IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER RISK FACTORS BEGINNING ON PAGE 28.**

Mitek and Parascript are very excited about the opportunities the merger brings to both Mitek stockholders and Parascript unitholders, and we thank you for your consideration and continued support.

Sincerely,

/s/ JAMES B. DEBELLO
Chief Executive Officer

Mitek Systems, Inc.

This document is a prospectus relating to the shares of Mitek common stock to be issued in the merger and a joint proxy statement for Mitek and Parascript to solicit proxies of their meetings of stockholders and unitholders, respectively. It contains answers to frequently asked questions and a summary of the important terms of the merger, the merger agreement and related transactions, followed by a more detailed discussion.

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

This joint proxy statement/prospectus is dated [], 2006 and, together with the accompanying proxy card, is being first mailed to Mitek stockholders and Parascript unitholders on or about [], 2006.

Sincerely,

/s/ JEFFREY GILB
Chief Executive Officer

Parascript, LLC

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ADDITIONAL INFORMATION

IMPORTANT

Except where indicated otherwise, as used in this joint proxy statement/prospectus, *Mitek* refers to Mitek Systems, Inc. and *Parascript* refers to Parascript, LLC.

In the *QUESTIONS AND ANSWERS ABOUT THE MERGER AND RELATED TRANSACTIONS* and in the *SUMMARY* below, we highlight selected information from this joint proxy statement/prospectus but we have not included all of the information that may be important to you. To better understand the merger agreement and the proposed merger, and for a complete description of their legal terms, you should carefully read this entire joint proxy statement/prospectus, including the appendices, as well as the documents that we have incorporated into this document. See *WHERE YOU CAN FIND MORE INFORMATION*.

The information contained in this joint proxy statement/prospectus speaks only as of the dates indicated on the cover of this joint proxy statement/prospectus unless the information specifically indicates that another date applies.

Mitek has supplied all information contained in or incorporated by reference in this proxy statement/prospectus relating to Mitek, and Parascript has supplied all information contained in this joint proxy statement/prospectus relating to Parascript. Mitek and Parascript have both contributed to the information contained in this joint proxy statement/prospectus relating to the merger.

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MITEK SYSTEMS INC.

8911 Balboa Ave., Suite B

San Diego, California 92123

Telephone: (858) 503-7810

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD [], 2006

Dear Mitek Stockholder:

On behalf of the board of directors of Mitek Systems, Inc., a Delaware corporation, we are pleased to deliver this joint proxy statement/prospectus for the proposed merger between a wholly-owned subsidiary of Mitek and Parascript LLC, a Wyoming limited liability company. A special meeting of stockholders of Mitek will be held on [], [], 2006, at [] a.m., Pacific Time, at [] for the following purposes:

1. To consider and vote upon the issuance of Mitek common stock pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of September 18, 2006, by and among Mitek, Mitek Acquisition Sub, LLC, Parascript, LLC, and Parascript Management, Inc., as member representative, which is attached as Annex A to the accompanying joint proxy statement/prospectus;
2. To consider and vote upon an amendment to Mitek's certificate of incorporation to change the corporate name of Mitek from Mitek Systems, Inc. to Parascript, Inc. ;
3. To consider and vote upon an amendment to Mitek's certificate of incorporation to increase the number of authorized shares of Mitek common stock by 160,000,000 shares, from 40,000,000 to 200,000,000, which is necessary to provide Mitek with a sufficient number of authorized shares of common stock to issue in connection with the merger and to reserve for issuance upon conversion of the senior subordinated convertible notes;
4. To consider and vote upon the issuance of debt which is convertible into shares of common stock of Mitek, the proceeds of which will be used to effect the merger;
5. To consider and vote upon an amendment to the Mitek Systems, Inc. 2006 Stock Option Plan to increase the number of shares of Mitek common stock available for issuance under the plan by 22,000,000 shares to 23,000,000 shares, and to increase the maximum number of shares which can be granted to one person in any one year to 3,500,000;
6. To authorize the Mitek board of directors to amend in its discretion Mitek's certificate of incorporation to effect a reverse stock split of Mitek's issued and outstanding shares of common stock, at such ratio between 1:4 to 1:8 to be determined by the Mitek board of directors, which may be desirable for Mitek to list its common stock on NASDAQ upon completion of the merger with Parascript, as described in this joint proxy statement/prospectus; and
7. To consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve proposals.

Consummation of the merger is conditioned on the adoption of proposals 1 through 5.

The board of directors has set the close of business on [], 2006, as the record date for determining stockholders entitled to receive notice of the special meeting and to vote at the special meeting and any adjournments or postponements thereof. At the close of business on the record date, Mitek had [] shares of common stock outstanding and entitled to vote. Mitek will admit to the special meeting (1) all stockholders of record at the close of business on [], 2006, (2) persons holding proof of beneficial ownership as of that date, such as a letter or account statement from the person's broker, (3) persons who have been granted valid proxies and (4) the other persons that Mitek, in its sole discretion, may elect to admit. All persons wishing to be admitted must present photo identification.

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Your vote is important. The affirmative vote of holders of a majority of the Mitek common stock having voting power present in person or represented by proxy at the Mitek special meeting is required for approval of Mitek proposals 1, 4, 5 and 7 above. The affirmative vote of the holders of a majority of the Mitek common stock having voting power outstanding on the record date is required for approval of Mitek proposals 2, 3 and 6 above.

Even if you plan to attend the annual meeting in person, Mitek requests that you sign and return the enclosed proxy and thus ensure that your shares will be represented at the annual meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of Proposal Nos. 1 through 7. If you fail to return your proxy card or vote in person at the special meeting, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the Mitek special meeting and will count as a vote against Mitek proposals 2, 3 and 6. If you do attend the Mitek annual meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By order of the board of directors,

Tesfaye Hailemichael

Secretary

[], 2006

YOUR VOTE IS IMPORTANT

Please return your proxy as soon as possible, whether or not you expect to attend the special meeting in person. You may submit your proxy by completing, dating and signing the enclosed proxy card and returning it in the enclosed postage prepaid envelope. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

The Mitek board of directors has determined and believes that each of the proposals outlined above is advisable to, and in the best interests of, Mitek and its stockholders and has approved each such proposal. The Mitek board of directors recommends that Mitek stockholders vote **FOR each such proposal.**

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Parascript LLC

6899 Winchester Circle, Suite 200

Boulder, CO 80301-3696

(303) 547-4053

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TO BE HELD [], 2006

Dear Parascript Unitholder:

A special meeting of unitholders of Parascript, LLC, a Wyoming limited liability company, will be held on [], [], 2006, at [] a.m., Central Time, at [].

At the special meeting, you will be asked to:

1. Approve and adopt the Amended and Restated Agreement and Plan of Merger, dated as of September 18, 2006, by and among Mitek Systems, Inc., Mitek Acquisition Sub, LLC, Parascript and Parascript Management, Inc., as member representative, and the transactions contemplated by the merger agreement.
2. Consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposals.

The accompanying joint proxy statement/prospectus describes the merger agreement and the proposed merger in detail. We urge you to review the joint proxy statement/prospectus carefully.

Parascript's manager has set the close of business on [], 2006, as the record date for determining unitholders entitled to receive notice of the special meeting and to vote at the special meeting and any adjournments or postponements thereof. At the close of business on the record date, Parascript had [] units outstanding and entitled to vote, including [] common units and [] preferred units. Parascript will admit to the special meeting (1) all unitholders of record at the close of business on [], 2006, (2) persons who have been granted valid proxies and (3) the other persons that Parascript, in its sole discretion, may elect to admit.

The affirmative vote of the holders of at least 70% of the outstanding units voting as a single class is required for approval of proposal 1 above. Even if you plan to attend the special meeting in person, we request that you sign and return the enclosed proxy and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of the approval and adoption of the merger agreement and the approval of the merger and an adjournment of the Parascript special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of proposal 1.

I look forward to seeing you at the meeting.

Sincerely,

Jeffrey Gilb

President & CEO

YOUR VOTE IS IMPORTANT

Please return your proxy as soon as possible, whether or not you expect to attend the special meeting in person. You may submit your proxy by completing, dating and signing the enclosed proxy card and returning it in the enclosed postage prepaid envelope. You may

revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

The Parascript manager has determined and believes that each of the proposals outlined above is advisable to, and in the best interests of, Parascript and its unitholders and has approved each such proposal. The Parascript manager recommends that Parascript unitholders vote **FOR** each such proposal.

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THIS JOINT PROXY STATEMENT/PROSPECTUS INCORPORATES

ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates business and financial information about Mitek from other documents filed with the Securities and Exchange Commission, which we refer to as the SEC, which are not included in or delivered with this joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 152.

You may obtain documents incorporated by reference into this joint proxy statement/prospectus, without charge, by requesting them in writing or by telephone from Mitek at the following address and telephone number:

MITEK SYSTEMS INC.

8911 Balboa Ave., Suite B

San Diego, California 92123

Telephone: (858) 503-7810, ext. 327

Attn: Tesfaye Hailemichael, Chief Financial Officer

Telephone: (858) 503-7810

e-mail: thailemichael@mitelksystems.com

To receive timely delivery of the documents before your special meeting, you must request them no later than [], 2006.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this joint proxy statement/prospectus and in the documents that are incorporated by reference into this joint proxy statement/prospectus. These forward-looking statements relate to Mitek's or Parascript's outlook or expectations for earnings, revenues, expenses, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or supervisory matters on Mitek's or Parascript's business, results of operations or financial condition. Specifically, forward looking statements used in this joint proxy statement/prospectus may include:

statements relating to the benefits of the merger, including anticipated synergies and cost savings estimated to result from the merger;

statements relating to the anticipated timing of consummation of the merger;

statements related to constitution of the combined company's board of directors and management;

statements relating to future business prospects, revenue, income and financial condition of Mitek, Parascript and the combined company;

statements relating to revenues, number of customers and points of distribution of the combined company after the merger; and
Forward-looking statements can be identified by the use of words such as estimate, may, plan, project, forecast, intend, expect, anticipate, believe, seek, target or similar expressions.

These statements reflect Mitek's and Parascript's management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

In addition to those factors discussed under the heading "Risk Factors" in this joint proxy statement/prospectus, and in Mitek's other public filings with the SEC, important factors could cause actual results to differ materially from our expectations. These factors include, but are not limited to:

adverse economic conditions;

general decreases in demand for Mitek or Parascript's products and services;

intense competition (including entry of new competitors), including among competitors with substantially greater resources than Mitek or Parascript;

loss of key customers or contracts;

increased or adverse federal, state and local government regulation;

inadequate capital;

unexpected costs;

lower revenues and net income than forecast, price increases for supplies;

inability to raise prices;

the risk of litigation and administrative proceedings;

higher than anticipated labor costs;

the possible fluctuation and volatility of operating results and financial condition;

adverse publicity and news coverage;

inability to carry out marketing and sales plans;

loss of key employees and executives;

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changes in interest rates;

inflationary factors;

general economic conditions in the American, European and Asian markets;

expected cost savings from the merger that may not be fully realized within the expected time frames or at all.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus, or in the case of a document incorporated by reference, as of the date of that document. Except as required by law, neither Mitek nor Parascript undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

The above list is not intended to be exhaustive and there may be other factors that would preclude Mitek and Parascript from realizing the predictions made in the forward-looking statements. Mitek and Parascript operate in a continually changing business environment and new factors emerge from time to time. Mitek and Parascript cannot predict such factors or assess the impact, if any, of such factors on their respective financial positions or results of operations. Accordingly, Mitek stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date of this joint proxy statement/prospectus.

ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS CONCERNING THE MERGER OR OTHER MATTERS ADDRESSED IN THIS JOINT PROXY STATEMENT/PROSPECTUS AND ATTRIBUTABLE TO MITEK, PARASCRIPT, OR ANY PERSON ACTING ON THEIR BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS CONTAINED OR REFERRED TO IN THIS SECTION. EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW OR REGULATION, NEITHER MITEK NOR PARASCRIPT UNDERTAKES ANY OBLIGATION TO RELEASE PUBLICLY ANY REVISIONS OR UPDATES TO SUCH FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS JOINT PROXY STATEMENT/PROSPECTUS OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER
AND RELATED TRANSACTIONS**

The following questions and answers briefly address some commonly asked questions about the merger, the special meetings of the stockholders of Mitek and the unitholders of Parascript and the effect of the merger on the holders of common stock of Mitek and the holders of units of Parascript. These questions and answers may not include all of the information that is important to you. We urge you to read carefully this entire document, including the annexes and the other documents to which we have referred you and those that are incorporated herein by reference.

- Q. Why are Mitek and Parascript proposing the merger?**
- A.** Mitek and Parascript entered into the merger agreement with the expectation that the resulting combined company will be a stronger, more diverse company with more growth potential than either company may have had separately. Mitek and Parascript believe that the merger will result in a number of benefits, including: a broader portfolio of products, operational cost synergies, ability to enter new markets with existing technologies, the opportunity for the stockholders of Mitek and the unitholders of Parascript to participate in the potential growth of the combined company after the merger, and a seasoned management team.
- Q. What is the merger?**
- A.** Mitek and Parascript have entered into an Amended and Restated Agreement and Plan of Merger, dated as of September 18, 2006, which is referred to in this joint proxy statement/prospectus as the merger agreement, that contains the terms and conditions of the proposed business combination of Mitek and Parascript. Under the merger agreement, Parascript and Mitek Acquisition Sub LLC, a wholly-owned subsidiary of Mitek, which is referred to in this joint proxy statement/prospectus as the merger sub, will merge, with Parascript surviving as a wholly-owned subsidiary of Mitek, which transaction is referred to as the merger. Upon completion of the merger, Mitek will change its name to Parascript, Inc. The merger agreement is attached to this joint proxy statement/prospectus as **Annex A**. You are encouraged to read it carefully.
- Q. Who will own Mitek after the merger?**
- A.** Upon completion of the merger and on a fully-diluted and as-if converted basis, Mitek's current shareholders will own approximately 22% of the company, Parascript unitholders will own approximately 55% of the company and Plainfield Offshore Holdings VIII Inc. and/or its affiliates (collectively, Plainfield), which is providing financing for the merger transaction, will own approximately 23% of the company (does not include certain shares of the combined company to be issued to certain officers thereof upon completion of the merger; please see Agreements with Executive Officers Following the Merger on page 125).
- 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 or

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unitholder, as applicable, of either Mitek or Parascrypt as of the applicable record date, and thus you are entitled to vote at such company's special meeting. This document serves as both a joint proxy statement of Mitek and Parascrypt, and as a prospectus of Mitek, used to offer shares of Mitek common stock in exchange for units of Parascrypt pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of Mitek and Parascrypt, and you should read it carefully.

Q. What is required to consummate the merger?

- A. To consummate the merger, Mitek stockholders must approve (1) the issuance of shares of Mitek common stock pursuant to the merger, (2) the change of Mitek's name to Parascrypt, Inc., (3) the increase in the number of authorized shares of Mitek, (4) the issuance of debt convertible into shares of Mitek common stock, and (5) an increase in the number of shares issuable under the Mitek Systems, Inc. 2006 Stock Option Plan and an increase in the maximum number of shares which can be granted to one person in any one year to 3,500,000. In addition, the Mitek stockholders are being asked to approve (6) a reverse stock-split of Mitek common stock. The affirmative vote of the holders of a majority of the shares of Mitek common stock present in person or by proxy at the Mitek special meeting is required for approval of Mitek proposals 1, 4, 5 and 7. The affirmative vote of the holders of a majority of the outstanding Mitek common stock on the record date is required for approval of Mitek proposals 2, 3 and 6. If Mitek stockholders abstain or fail to vote, the effect will be the same as voting against proposals 2, 3 and 6, which must be approved for the merger to be completed. In addition, Parascrypt unitholders must approve the merger agreement, which requires the affirmative vote of the holders of at least 70% of the outstanding units of Parascrypt on the record date. If Parascrypt unitholders abstain or fail to vote, the effect will be the same as voting against Parascrypt proposal 1. In addition to obtaining Mitek stockholder approval and Parascrypt unitholder approval, each of the other closing conditions set forth in the merger agreement must be satisfied or waived. As part of the execution of the merger agreement, three Parascrypt unitholders, who collectively owned 6,642,611 preferred units of Parascrypt, representing approximately 64.9% of the outstanding units of Parascrypt as of September 18, 2006, entered into voting agreements and irrevocable proxies pursuant to which, among other things, each of these unitholders agreed, solely in the unitholder's capacity as a unitholder, to vote all of its Parascrypt units in favor of adoption of the merger agreement. For a more complete discussion of the closing conditions under the merger agreement, Mitek and Parascrypt urge you to read the section entitled "The Merger Agreement-Conditions to the Merger Agreement" on page 80 of this joint proxy statement/prospectus.

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You are entitled to vote on the applicable proposals if you held Mitek common stock at the close of business on the Mitek record date, which is [], 2006, or Parascript units at the close of business on the Parascript record date, which is [], 2006. On those dates, [] shares of Mitek common stock and [] Parascript units, respectively, were outstanding and entitled to vote. The adjournment proposal for each of the Mitek stockholders and the Parascript unitholders must be approved by the affirmative vote of a majority of the shares of Mitek common stock or Parascript units, as applicable, present in person or by proxy at the applicable special meeting, without regard to abstentions, even if there is no quorum at that meeting.

Q. What will Parascript unitholders be entitled to receive pursuant to the merger agreement?

- A. Under the terms of the merger agreement, Parascript unitholders will receive in the aggregate approximately \$80 million in cash, subject to adjustment as described below, plus 51,869,458 shares of common stock of Mitek, of which common stock valued at \$4 million will be placed into escrow to secure Parascript's indemnification obligations to Mitek. For purposes of determining the amount of Mitek common stock that will be placed into escrow, the Mitek common stock will be valued at the average closing price for the 10 days prior to closing of the merger, as reported on the OTC Bulletin Board.

AIS Adjustment: The total cash consideration payable to Parascript unitholders is expected to be reduced by approximately \$3,000,000 which will be contributed to a newly formed Parascript subsidiary, AIS Holdings, LLC at the closing. At the closing, the ownership interests in AIS Holdings will be distributed to the Parascript unitholders on a pro rata basis, based on relative ownership percentage of Parascript on the record date for such distribution. Concurrently with the distribution of AIS Holdings to the Parascript unitholders, the unit interests of Applied Intelligence Solutions, LLC, or AIS, currently held by Parascript (amounting to 96% of the units of Applied Intelligence Solutions) will be contributed to AIS Holdings. After giving effect to these transactions, the unitholders will own 100% of AIS Holdings, which will in turn hold 96% of the units of AIS. For a more complete discussion of the proposed spin-off of AIS, Mitek and Parascript urge you to read the section entitled "The Merger Spin-off of AIS."

Parascript Payments Adjustments: The total cash consideration payable to Parascript unitholders will be reduced by (i) the payoff, in full, of all outstanding principal and interest owed by Parascript to Silicon Valley Bank under certain loan agreements (\$1,150,000 as of November 4, 2006); (ii) the payment of \$50,000 to Parascript Management, Inc. to be used in its capacity as member representative under the terms of the Merger Agreement; and (iii) the payment of

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applicable withholding taxes required to be paid by Merger Sub or Parascript in connection with the merger.

Preferred Distribution to Preferred Unitholders and Preferred Optionholders: From the cash consideration remaining after the above-described adjustments, \$44,415,000 will be distributed to the preferred unitholders and preferred optionholders of Parascript on a fully-diluted, as converted basis pursuant to the terms of the preferred units and preferred options.

Remaining Distribution to Parascript Unitholders and Preferred Optionholders: The remainder of the cash consideration and the shares of Mitek common stock not placed in escrow will be distributed to the preferred unitholders, preferred optionholders and common unitholders on a fully-diluted, as converted basis, adjusted as described below.

Any unitholder who received an advance distribution of net income from Parascript since January 1, 2006, will have such unitholder's cash consideration reduced by the amount of such advances. The total amount of such advance distributions is approximately \$3,600,000 as of October 31, 2006. This amount is expected to be increased approximately \$360,000 per month until the closing of the merger. The aggregate amount of consideration held back due to the advance distributions will be distributed to all unitholders pro rata on a fully-diluted, as converted basis.

- | | |
|---|---|
| Q. Are Mitek stockholders entitled to appraisal rights? | A. No. Mitek stockholders are not entitled to appraisal rights. |
| Q. Are Parascript unitholders entitled to appraisal rights? | A. No. Parascript unitholders are not entitled to appraisal rights. |
| Q. How will Mitek fund the cash portion of the merger consideration? | A. Funding for the merger is to be provided by a combination of \$35 million in senior subordinated convertible notes and \$55 million in senior secured debt from Plainfield Offshore Holdings VIII Inc. and/or its affiliates. The senior subordinated notes will initially be convertible into approximately 21.9 million shares of Mitek common stock at a conversion price of \$1.60 per share, subject to adjustment. From the remaining funds obtained from Plainfield, it is anticipated that approximately \$9 million will be used for costs and expenses related to the merger and financing transactions. In addition, Plainfield will provide a revolving line of credit for up to \$5 million to be used for working capital and other general corporate purposes. Upon completion of the merger and on a fully-diluted basis, Plainfield will own approximately 23% of the combined company on an as-if converted basis (does not include certain shares of the combined company to be issued to certain officers thereof upon completion of the merger; please see Agreements with Executive Officers Following the Merger on page 125). |

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- Q. Will Mitek stockholders receive any shares in the merger?** **A.** No. Mitek stockholders will continue to hold the Mitek common stock they held prior to the effective time of the merger.
- Q. Is the merger taxable to Parascript unitholders for U.S. federal income tax purposes?** **A.** The merger will be fully taxable to the Parascript unitholders for U.S. federal income tax purposes. The amount of taxable gain that a Parascript unitholder recognizes will depend in part on the fair market value of the Mitek common stock received by such Parascript unitholder.

Please review carefully the information under the caption *Certain United States Federal Income Tax Consequences* beginning on page 65 for a description of the material U.S. federal income tax consequences of the merger. The tax consequences to you will depend on your own situation. Please consult your tax advisors for a full understanding of the tax consequences of the merger to you.

- Q. Are there risks to the merger that I should consider?** **A.** Yes. There are risks associated with all business combinations, including the proposed merger. We have described these risks and other risks in more detail under *Risk Factors* beginning on page 28.
- Q. Who will manage the combined company?** **A.** After the closing of the merger, the combined company's board of directors will be composed of seven (7) members. It will consist of two (2) individuals designated by Mitek's board of directors, who shall initially be John M. Thornton and James B. DeBello, two (2) individuals designated by Parascript, who shall initially be Aron Katz and Jeffrey Gilb. The board will also include three (3) independent directors who meet the independence requirements of NASDAQ, with one (1) nominated by Mitek subject to the approval of Parascript, one (1) nominated by Parascript subject to the approval of Mitek and one (1) nominated by Plainfield subject to the approval of Mitek and Parascript.
- Q. Is the merger contingent on stockholder approval of all of the Mitek proposals?** **A.** The merger is contingent on adoption of Mitek proposals 1 through 5.
- Q. Why is Mitek proposing the amendment to the 2006 stock option plan?** **A.** The amendment of the 2006 stock option plan will enable the combined company to offer non-employee directors, officers, other key employees and consultants a greater number of equity-based incentives, thereby helping to attract, retain and reward these participants in an effort to create value for the combined company's stockholders. In addition, amendment of the stock option plan will permit the combined company to fulfill its obligations to grant options to certain officers upon completion of the merger.
- Q. What do I need to do now?** **A.** After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote

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your shares or units, as applicable, as soon as possible so that your shares or units, as applicable, will be represented at your company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares or units, as applicable, are held in the name of your broker or other nominee.

Q. How do I vote?

- A.** If you are a Mitek stockholder, you may vote before your special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage prepaid envelope.

If you are a Parascript unitholder, you may only vote before your special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage prepaid envelope.

Q. If my Mitek shares are held in [street name] by my broker or other nominee, will my broker or nominee vote my shares for me?

- A.** No. Your broker will vote your shares only if you provide instructions to your broker on how to vote. You should instruct your broker to vote your shares by following the directions provided to you by your broker. Without instructions, your broker will not vote any of your shares held in [street name] and the effect will be the same as a vote against the merger. See The Special Meetings beginning on page 45.

Q. May I change my vote after I have delivered my proxy card?

- A.** Yes. You can change your vote at any time before we vote your proxy at your special meeting. You can do so in one of the following ways:

by sending a notice of revocation to the corporate secretary of Mitek or the president of Parascript, as applicable;

by sending a completed proxy card bearing a later date than your original proxy card; or

by attending your special meeting and voting in person.

Your attendance alone will not revoke any proxy. If you choose to change your vote using any of the methods above, other than by attending your special meeting and voting in person, you must take the described action no later than the beginning of your special meeting or no later than the time indicated on your proxy card. If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q. If I hold Parascript units, should I send them in order to receive the merger consideration?

- A.** No. The merger consideration due to you will be sent to you upon the receipt of your instructions on a letter of transmittal that will be sent to you at a later time.

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- Q. How will I receive my cash and shares of Mitek common stock?** **A.** After receiving the proper documentation from you and determining the proper allocations of cash and Mitek common stock to be paid to the Parascript unitholders, the exchange agent will forward to you the cash and Mitek common stock to which you are entitled.

Parascript unitholders will not receive any fractional shares of Mitek common stock. Instead, they will receive cash, without interest, for any fractional share of Mitek common stock that they might otherwise have been entitled to receive.

- Q. Have any Parascript unitholders agreed to vote to adopt the merger agreement?** **A.** In connection with the execution of the merger agreement, several Parascript unitholders entered into voting agreements and irrevocable proxies pursuant to which, among other things, each of these unitholders agreed, solely in its capacity as a unitholder, to vote all of its Parascript units in favor of adoption of the merger agreement, against any matter that would result in a breach of the merger agreement by Parascript, and against any action which is intended, or could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely delay or affect the merger or any of the other transactions contemplated by the merger agreement.

As of September 18, 2006, the three Parascript unitholders that entered into voting agreements collectively owned 6,642,611 preferred units, representing approximately 64.9% of the outstanding units of Parascript.

- Q. Who should I call if I have additional questions or need additional copies of the joint proxy documents?** **A.** If you are a Mitek stockholder and you would like additional copies of this joint proxy statement/prospectus or a new proxy card or if you have questions about the merger, you should contact Tesfaye Hailemichael at (858) 503-7810, ext. 327.

If you are a Parascript unitholder and you would like additional copies of this joint proxy statement/prospectus or a new proxy card or if you have questions about the merger, you should contact Jeff Gilb at (303) 381-3100.

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SUMMARY

This summary highlights information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire document, including the Annexes. You should read the merger agreement, which is attached as Annex A, carefully. It is the legal document that governs the business combination and the other transactions contemplated by the business agreement. It is also described in detail elsewhere in this joint proxy statement/prospectus. When we refer to the merger agreement in this joint proxy statement/prospectus we are referring to the merger agreement as it may be amended to the date of the joint proxy statement/prospectus.

The Companies

Mitek Systems, Inc.

8911 Balboa Avenue

Suite B

San Diego, CA 92123

Telephone No. (858) 503-7810

www.miteksystems.com

Mitek was incorporated under the laws of the State of Delaware in 1986. Mitek is primarily engaged in the development and sale of software products, with particular focus on intelligent character recognition and forms processing technology, and other products and services for the document imaging markets.

Mitek develops, markets and supports what it believes to be one of the most accurate automated document recognition (ADR) products commercially available for the recognition of hand printed characters. Mitek 's proprietary technology recognizes hand printed and machine generated characters with a level of accuracy that renders our ADR products a viable alternative to manual data entry in certain applications. The Mitek solution allows customers that process large volumes of hand printed and machine generated documents to do so more quickly, with greater accuracy and at reduced costs.

Mitek 's intelligent recognition toolkits include a suite of products that leverage its proprietary intelligent character recognition (ICR), image processing, and dynamic data extraction software engines. The suite of recognition toolkits includes QuickStrokes[®], QuickFX Pro, ImageScore, and Dynafind. These products are sold to original equipment manufacturers (OEMs) such as Advanced Financial Solutions, a subsidiary of Metavante, Harland Financial Solutions, a subsidiary of John Harland Company, Sungard, BancTec, and J&B Software, and to systems integrators such as Computer Sciences Corporation.

Mitek 's core technical competency in intelligent character recognition allows the company to address different technical issues in various markets, Mitek has addressed the forms processing market with its Doctus[®] product. Doctus[®] incorporates Mitek 's core intelligent character recognition technologies in an application designed for end users in a broad variety of industries that require high volume automated data entry. The Doctus[®] software handles both structured and unstructured forms. As a result, it significantly increases the number and types of forms that can be automatically processed. Doctus[®] is able to process unstructured forms through the integration of our DynaFind[®] dynamic data extraction technology. With DynaFind[®], Doctus[®] automatically classifies unstructured forms and extracts relevant data from the form contents. Major Doctus[®] customers and reseller partners include AIG, IKON Office Solutions, Sungard, and J&B Software.

Mitek 's technological capabilities also include image analysis of signatures, image repair and optimization, optical character recognition (OCR), dynamic data finding on various documents, including courtesy amount recognition (CAR) and legal amount recognition (LAR) on checks.

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Mitek Acquisition Sub LLC

Mitek Acquisition Sub LLC is a wholly-owned subsidiary of Mitek that was recently incorporated in Wyoming for the purpose of the merger. It does not conduct any business and has no material assets. Its principal executive office has the same address and telephone number as Mitek shown above.

Parascript, LLC

6899 Winchester Circle, Suite 200

Boulder, CO 80301

Telephone No. (888) 772-7478

or (303) 381-3100

<http://www.parascript.com>

Parascript is a limited liability company that was founded in 1996 to commercialize its intelligent pattern recognition software. Parascript's intelligent pattern recognition software interprets human thinking and behavioral patterns based on cognitive science, pattern recognition, neural networks and artificial intelligence. For over a decade, Parascript has continually improved and adapted its intelligent pattern recognition software to make it usable in a variety of applications. Parascript's software is versatile in that it is trainable to recognize patterns in many different types of data, and is not limited to handwriting recognition. Potential current and future applications of Parascript's intelligent pattern recognition technology are in the fields of pharmaceutical research, medical diagnosis, and genetic research.

One of the primary applications of Parascript's intelligent pattern recognition software is to handwriting recognition, where data captured from scanned forms, checks, envelopes, and other documents containing handwritten text is interpreted and converted to alphanumeric electronic data. Parascript's software achieves a high level of accuracy in interpreting handwriting, and significantly decreases the time required to process documents and complete transactions. In broader applications, Parascript's software assists in increasing security, accuracy, and productivity in tasks that require speedy and objective review, analysis and decision making based on available information.

Parascript's software and recognition engines are most commonly distributed to end users by independent resellers and integrators that combine Parascript's software with the integrator's own software products and services. Parascript has designed its software to be flexible and continues to make adjustments to allow compatibility with a number of devices and operating systems such as Windows 2000, Windows XP, Unix, Linux and Open VMS.

The original and most successful implementation of Parascript's software has been for mail sorting, handling, routing and shipping functions. This application of Parascript's software is used extensively by the United States Postal Service, several foreign postal services, and numerous large corporations. The second most successful implementation of Parascript's software is for check and remittance authentication and processing functions. End users that apply Parascript's software to these functions are typically banks and retail stores. Governmental and commercial end users of Parascript's software also benefit from the software's ability to automate the entry and processing of a large variety of forms, such as applications, and forms used in human services and benefits administration departments.

Parascript's revenue is derived primarily from software license fees, ongoing maintenance services fees, and professional services fees for customizing software to an end user's specific needs. Parascript's revenues have been growing since 2001 and exceeded \$24 million in 2005.

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Mitek's Business Rationale for Merging with Parascript

Mitek believes the proposed merger is in the best interests of Mitek and its stockholders for the following strategic reasons:

The expectation that the strategic fit between Mitek and Parascript would provide the opportunity to create a leader in image analytics;

The expectation that the complementary nature of the technologies and products of Mitek and Parascript will enhance the combined company's ability to be better positioned to serve its customers;

The belief that an improved platform for future growth provides the ability to acquire customers in a more comprehensive solution, which is made possible by the merger and the expanded product portfolio;

The belief that the complementary nature of the respective customer bases and distribution channels of Mitek and Parascript could result in opportunities to attain synergies as products are cross-marketed and distributed over broader customer bases;

The expectation that the combined company would have the opportunity to realize significant cost savings from the reduction of operating expenses derived from the elimination of redundant infrastructures and the ability to take advantage of economies of scale; and

The increased financial strength resulting from a combination of the two companies.

In addition, Mitek believes the proposed merger provides attractive financial terms based on:

An analysis of Mitek's and Parascript's respective business, financial condition, results of operations, earnings and prospects on a stand-alone basis and forecasted combined basis, indicated that the combined company would be positioned to be successful over the long term;

Current financial market conditions, including the relative valuations of banking software companies and the continuing consolidation in the banking software industry;

The price negotiated with Parascript and the relative valuation of Parascript considering recent and historical markets prices of Mitek common stock, as well as how this compares to prices in recent comparable transactions involving software companies;

An assessment of alternatives to the merger, including other possible acquisition candidates and the prospects of Mitek as a stand-alone company;

The belief that the terms of the merger agreement, including the parties' representations, warranties and covenants, as qualified by the confidential disclosure memoranda, and the conditions to their respective obligations, are reasonable in a transaction of this nature; and

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The opinion of Stephens Inc. that the exchange ratio pursuant to the merger agreement is fair to Mitek from a financial point of view. Mitek's board of directors also considered various potentially negative factors in its deliberations concerning the merger, including the following:

The dilution that would result from the issuance of shares of Mitek common stock as a merger consideration;

The debt load on the balance sheet incurred in financing a portion of the consideration paid to Parascript;

The risk that potential benefits sought in the merger, including synergies and cost-saving opportunities, may not be fully realized;

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The risk that integration of the business, operations and workforce of the two companies may not be successfully implemented in a timely and efficient manner, or at all;

The possibility that the merger might not be consummated or that consummation might be unduly delayed;

The possibility that the market price of Mitek common stock could decrease sharply if the merger is not viewed favorably by stockholders, financial analysts and the press;

The significant expenses incurred in connection with the merger, including costs of integrating the businesses of Mitek and Parascript, and the transaction expenses arising from the merger;

The risk of the potential loss of key personnel; and

The other risks described under the caption "Risk Factors" beginning on page 28.

After due consideration, the Mitek board of directors concluded that, on balance, the overall potential benefits of the merger to Mitek and its stockholders outweighed the potential negative factors associated with the merger.

Additionally, Parascript has recently experienced attractive growth in its markets, reaching \$24 million in revenues for the year ended December 31, 2005 and \$8 million for the six months ended June 30, 2006 (unaudited), as compared to \$23 million in revenues for the year ended December 31, 2004 and \$5 million for the six months ended June 30, 2005 (unaudited). Parascript has a seasoned management team with specialized knowledge of its markets and, Mitek believes the combination of its management and Parascript's will have the ability to lead the combined company in a changing environment.

Parascript's Business Rationale for Merging with Mitek

Parascript's manager believes that the proposed merger is in the best interests of Parascript and its unitholders for the following primary reasons:

Parascript's manager believes the financial terms of the merger to be favorable, including the total value of the consideration as well as the allocation of the total consideration to be delivered to Parascript unitholders between cash and stock.

Mitek is actively involved in the signature verification and fraud prevention industry and is currently offering automated document processing software and toolkits, which are similar to certain of Parascript's products. Mitek also has an existing customer base representing an ongoing revenue flow from maintenance and support fees which can be maintained using combined resources with additional efficiency because of the conformity with many of Parascript's products.

Mitek also provides Parascript a methodology and migration path to move from a privately held corporation to a public corporation, facilitating the possibility of raising additional funding for additional acquisitions or entering in new markets in the future if the board of directors of the combined company elects to pursue such a strategy.

Parascript believes that the skills and expertise of the officers and directors of the combined company, their collective access to acquisition opportunities and ideas, and their contacts will provide the combined company with increased opportunities for future acquisitions and growth.

The Merger (see page 50)

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In the proposed merger, Mitek Acquisition Sub, LLC, a wholly-owned subsidiary of Mitek, will merge with and into Parascript with Parascript surviving the merger as a wholly-owned subsidiary of Mitek. As a result of

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the merger and on a fully diluted and as-converted basis, the unitholders of Parascript will own approximately 55% of the then outstanding common stock of Mitek and receive approximately \$80 million in cash, subject to certain adjustments. Upon completion of the merger, Mitek will change its name to Parascript, Inc.

A copy of the merger agreement, dated as of September 18, 2006, by and among Mitek, Mitek Acquisition Sub, LLC, Parascript and Parascript Management, Inc., as member representative, is attached to this joint proxy statement/prospectus as **Annex A**. Please read the merger agreement in its entirety as it is the principal document governing the acquisition.

Consideration to be Paid to Parascript Unitholders in the Merger (see page 72)

The merger agreement provides that the aggregate consideration to be paid to Parascript's unitholders in the merger will be (i) approximately \$80 million in cash subject to adjustment as described below, plus (ii) 51,869,458 shares of Mitek's common stock, of which common stock valued at \$4 million will be placed into escrow to secure Parascript's indemnification obligations to Mitek. For purposes of determining the amount of Mitek common stock that will be placed into escrow, the Mitek common stock will be valued at the average closing price for the 10 days prior to closing of the merger, as reported on the OTC Bulletin Board. Shares remaining in escrow after one year will be released, unless a claim for indemnification is made by Mitek prior to one year, in which case the shares remaining in escrow, if any, will be released upon satisfaction of the claim from the escrow.

AIS Adjustment: The total cash consideration payable to Parascript unitholders is expected to be reduced by approximately \$3,000,000 which will be contributed to a newly-formed Parascript subsidiary, AIS Holdings, LLC (AIS Holdings) at the closing. At the closing, the interests of AIS Holdings will be distributed to the Parascript unitholders on a pro rata basis, based on their relative ownership percentage of Parascript on the record date for such distribution. Concurrently with the distribution of AIS Holdings to the Parascript unitholders, the unit interests of Applied Intelligence Solutions, LLC, or AIS, currently held by Parascript (amounting to 96% of the units of AIS) will be contributed to AIS Holdings.

Parascript Payments Adjustments: The total cash consideration payable to Parascript unitholders will be reduced by (i) the payoff, in full, of all outstanding principal and interest owed by Parascript to Silicon Valley Bank under certain loan agreements (\$1,150,000 as of November 4, 2006); (ii) the payment of \$50,000 to Parascript Management, Inc. to be used in its capacity as member representative under the terms of the merger agreement; and (iii) the payment of applicable withholding taxes required to be paid by Merger Sub or Parascript in connection with the merger.

Preferred Distribution to Preferred Unitholders and Preferred Optionholders: From the cash consideration remaining after the above-described adjustments, \$44,415,000 will be distributed to the preferred unitholders and preferred optionholders of Parascript on a fully-diluted, as converted basis pursuant to the terms of the preferred units and preferred options.

Remaining Distribution to Preferred Unitholders, Preferred Optionholders and Common Unitholders: The remainder of the cash and stock consideration will be distributed pro rata to the preferred unitholders, preferred optionholders and common unitholders on a fully-diluted as converted basis, adjusted as described below.

Any unitholder who received an advance distribution of net income from Parascript since January 1, 2006, will have such unitholder's cash consideration reduced by the amount of such advances. The total amount of such advance distributions is approximately \$3,600,000 as of October 31, 2006. This amount is expected to be increased approximately \$360,000 per month until the closing of the merger. The aggregate amount of consideration held back due to the advance distributions will be distributed to all unitholders pro rata on a fully-diluted, as converted basis.

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Mitek's Dividend Policy Differs from Parascrypt's (see page 27)

Mitek has never declared or paid cash dividends on its common stock. The payment of any dividends by Mitek on its common stock in the future will be at the discretion of Mitek's board of directors and will depend upon, among other things, future earnings, operations, capital requirements, Mitek's general financial condition, limitations in its senior secured credit facilities and senior subordinated convertible notes, and general business conditions. Mitek does not intend to pay dividends in the foreseeable future.

Distributions to Parascrypt unitholders are determined by its manager, Parascrypt Management Inc. Parascrypt is not required to distribute cash to its unitholders to cover income tax liabilities, but endeavors to do so on an annual basis in an amount equal to the federal and state income tax liability of the unitholders as a consequence of the allocation of the income by Parascrypt to the unitholders for the immediately preceding calendar year. Once Parascrypt's tax returns are completed, Parascrypt estimates (assuming maximum federal and state tax rates) the amount of tax liability for unitholders and historically has made distributions to cover these tax liabilities. Additional distributions are sometimes made after taking into account the outlook for the current fiscal year, tax distributions already made, capital spending plans, the potential for acquisitions, the capital structure, and other business needs. There is no guarantee that additional distributions will be made in any given year. Additional distributions, if paid, vary in amount from year to year.

Market Price and Share Information of Mitek Common Stock (see page 27)

Shares of Mitek common stock are listed on the Over the Counter Bulletin Board, referred to as the OTC Bulletin Board, under the trading symbol MITK.OB. Parascrypt's units are not publicly traded. On July 12, 2006, the last trading day before the public announcement of the acquisition, the last sales price of Mitek's common stock was \$1.14 per share.

On [], 2006, the most recent practicable date before the printing of this joint proxy statement/prospectus, the last sales price as reported on the OTC Bulletin Board for Mitek common stock was \$[] per share. We urge you to obtain current market quotations.

Risks of the Merger (see page 28)

All Mitek stockholders and Parascrypt unitholders should consider carefully all of the information in this joint proxy statement/prospectus and evaluate the specific factors set forth under Risk Factors before considering whether to approve the merger agreement or the issuance of shares in accordance with the merger agreement, as applicable.

The risk factors regarding Mitek should be carefully considered by all Parascrypt unitholders who are to receive Mitek common stock in connection with the merger.

Conversion (see page 72)

Each outstanding preferred unit and preferred option of Parascrypt immediately prior to the merger shall be converted into the right to receive a preference amount in cash of approximately \$4.46 plus a pro rata amount based on the total number of outstanding Parascrypt preferred units, preferred options and common units of the cash and shares of Mitek common stock remaining after the payment of the preference amount. The preferred units and preferred options will cease to be outstanding, be canceled and retired and cease to exist upon closing.

Each outstanding common unit shall be converted into the right to receive a pro rata amount based on the total number of outstanding Parascrypt preferred and common units and preferred options of the cash and shares of Mitek common stock in an amount determined after payment of the preference amount on the Parascrypt preferred units and preferred options payable to the holder thereof. The common units will cease to be outstanding, be canceled, retired and cease to exist upon closing.

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Each limited liability company interest of Mitek Acquisition Sub, LLC issued and outstanding immediately prior to the effective time of the merger shall be converted into one limited liability company interest of Parascript, so that, after the merger, Mitek will own all of the issued and outstanding ownership interests of Parascript.

Recommendation of the Board of Directors of Mitek (see page 54)

The Mitek board of directors unanimously recommends that (i) the issuance of Mitek common stock pursuant to the merger agreement, dated as of September 18, 2006, by and among Mitek, Mitek Acquisition Sub, LLC, Parascript, LLC, and Parascript Management, Inc and the transactions contemplated by the merger agreement; (ii) an amendment to Mitek's certificate of incorporation to change the corporate name of Mitek to Parascript, Inc.; (iii) an amendment to Mitek's certificate of incorporation to increase the number of authorized shares of Mitek common stock by 160,000,000 shares, from 40,000,000 to 200,000,000, which is necessary to provide Mitek with sufficient authorized shares of common stock to issue in connection with the merger; (iv) the issuance of debt which is convertible into shares of common stock of Mitek, the proceeds of which will primarily be used to effect the merger and to reserve for issuance upon conversion of the senior subordinated convertible notes; (v) an amendment to the Mitek 2006 Stock Option Plan to increase the number of shares of Mitek common stock available for issuance under the plan by 22,000,000 shares to 23,000,000 shares and to increase the maximum number of shares which can be granted to one person in any one year to 3,500,000; (vi) the authorization of the Mitek board of directors to amend in its discretion Mitek's certificate of incorporation to effect a reverse stock split of Mitek's issued and outstanding shares of common stock, at such ratio between 1:4 to 1:8 to be determined by the Mitek board of directors, which may be desirable for Mitek to list its common stock on NASDAQ upon completion of the merger with Parascript, as described in this joint proxy statement/prospectus; and (vii) a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve proposals be approved by the Mitek stockholders and that the Mitek stockholders vote FOR the approval of such proposals.

Recommendation of the Manager of Parascript (see page 62)

The Parascript manager recommends the adoption of the merger agreement, dated as of September 18, 2006, by and among Mitek, Mitek Acquisition Sub, LLC, Parascript and Parascript Management, Inc., and the transactions contemplated by the merger agreement, and the proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposals be approved by the Parascript unitholders, as described in this joint proxy statement/prospectus, and that the Parascript unitholders vote FOR the approval of such proposals.

Stephens Inc. Fairness Opinion Provided to the Board of Directors of Mitek (see page 56)

In deciding to approve the merger, the Mitek board of directors received an opinion from Stephens Inc. that, as of September 12, 2006, and subject to the limitations and assumptions set forth in its written opinion, the acquisition consideration pursuant to the merger agreement is fair from a financial point of view to Mitek. In its analysis, Stephens Inc. made numerous assumptions with respect to Mitek, Parascript and the merger. The assumptions and estimates contained in Stephens' analyses, and the valuation ranges resulting from the particular analyses, are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. The opinion of Stephens is dated as of September 12, 2006 and opines as to the fairness as of that date only. Stephens Inc. is not obligated to update its September 12, 2006 opinion. Mitek intends to request an updated fairness opinion prior to distribution of this Joint Proxy Statement/Prospectus. In the aggregate, Stephens Inc. will receive fees of approximately \$3.3 million if the acquisition is completed. A copy of the fairness opinion is attached as Annex B to this joint proxy statement/prospectus. Mitek stockholders should read the opinion carefully and in its entirety.

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Differences Exist between Rights of Mitek Stockholders and Parascript Unitholders (see page 141)

After the merger, Parascript unitholders will become Mitek stockholders and their rights as stockholders will be governed by the certificate of incorporation and bylaws of Mitek and the Delaware General Corporation Law, or the DGCL. There are a number of differences between Mitek's certificate of incorporation and bylaws and Parascript's articles of organization and operating agreement, respectively, and there are a number of differences between the DGCL and the Wyoming Limited Liability Company Act. The material differences are summarized in this joint proxy statement/prospectus under "Comparative Rights of Mitek Stockholders and Parascript Unitholders" beginning on page 141.

Interests of Certain Persons in the Merger (see page 64)

In considering the recommendation of Mitek's Board of Directors with respect to the Mitek proposals, Mitek stockholders should be aware that executive officers and directors of Mitek may have interests in the merger that are or may be different from, or in addition to, other Mitek stockholders' interests. These interests include:

employment agreements between certain Mitek officers and Mitek which become effective on the closing date;

the grant to Mr. DeBello upon completion of the merger, of options to purchase shares of approximately 3% of the combined company's then outstanding and fully diluted shares of common stock; and

the grant to Mr. Hailemichael upon completion of the merger, of options to purchase shares of approximately 1% of the combined company's then outstanding and fully diluted shares of common stock.

In considering the recommendation of Parascript's manager with respect to the merger and the merger agreement, Parascript unitholders should be aware that executive officers of Parascript and directors of Parascript's manager may have interests in the merger that are or may be different from, or in addition to, other Parascript unitholders' interests. These interests include:

the designation of certain officers of Parascript as officers of Mitek upon completion of the merger and employment agreements between such officers with Mitek which become effective on the closing date;

the grant to Mr. Gilb upon completion of the merger, of options to purchase shares of approximately 3% of the combined company's then outstanding and fully diluted shares of common stock;

the grant to Mr. Filatov upon completion of the merger, of options to purchase shares of approximately 2% of the combined company's then outstanding and fully diluted shares of common stock;

the acquisition by Plainfield of 6,670,000 shares for an aggregate of \$5 million from the Katz Family Limited Partnership as part of the merger and related transactions which will be registered by Mitek with other shares issuable to Plainfield; and

the appointment of Aron B. Katz, chairman of the board of directors of the manager of Parascript, and Jeffrey Gilb, president and chief executive officer of Parascript, to the board of directors of Mitek upon completion of the merger.

Conditions to Completion of the Merger (see page 80)

The obligations of Mitek and Parascript to complete the merger are conditioned upon the following:

no order by a governmental body of competent jurisdiction, statute, rule or regulation which makes the consummation of the transactions contemplated by the merger agreement unlawful or prohibited will have been entered or enacted;

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Mitek will have obtained long-term financing in an amount not less than \$85 million and not to exceed \$90 million (not including a revolving credit facility);

Mitek will have obtained stockholder approval of the amendment to its certificate of incorporation to increase the number of authorized shares to 200,000,000;

Mitek and Parascript will have obtained all required governmental authorizations;

Mitek will have appointed an audit committee; and

Parascript unitholders and Mitek stockholders will have approved the merger.

Parascript will not be obligated to complete the merger unless a number of conditions have been satisfied, including, without limitation:

the representations and warranties of Mitek set forth in the merger agreement will be true and correct in all material respects, as of the date of the merger agreement and as of the closing of the acquisition as though made at and as of the closing of the acquisition;

Mitek will have performed and complied in all material respects with all obligations and agreements required by the merger agreement;

no change, occurrence or circumstance will have occurred that has or is reasonably likely to have, individually or in the aggregate, a material adverse effect on Mitek;

Mitek will have obtained the requisite approvals to effect the change in Mitek's name to Parascript, Inc. ;

the SEC will have declared the Form S-4 effective; and

the board will be reconstituted to include three (3) independent directors.

Mitek will not be obligated to complete the merger unless a number of conditions have been satisfied, including, without limitation:

the representations and warranties of Parascript set forth in the merger agreement will be true and correct in all material respects, as of the date of the merger agreement and as of the closing of the acquisition as though made at and as of the closing of the acquisition;

Parascript will have performed and complied in all material respects with all obligations and agreements required by the merger agreement;

no change, occurrence or circumstance will have occurred that has or is reasonably likely to have, individually or in the aggregate, a material adverse effect on Parascript;

Parascript will have caused certain assets, liabilities and contracts related to Parascript's business, which are currently held by Parascript Management, Inc. and other affiliates of Parascript to be transferred and assigned to Parascript; and

Mitek will have received appropriate payoff letters regarding certain indebtedness of Parascript.

Timing of the Merger (see page 83)

The merger is expected to be completed in early 2007, subject to the receipt of necessary regulatory approvals and the satisfaction or waiver of other closing conditions.

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Termination of the Merger Agreement (see page 81)

The merger agreement may be terminated by Mitek or Parascript before completion of the merger in certain circumstances. In addition, the merger agreement provides that each of Mitek and Parascript may be required to pay a termination fee to the other in an amount of \$1 million plus fees and expenses up to \$500,000 if the merger agreement is terminated in the circumstances described generally below:

if Mitek terminates the merger agreement because Parascript's manager has approved or recommended any proposal or offer of acquisition, business combination, or other similar business transaction from a party other than Mitek, then Parascript will be required to pay Mitek; or

if Parascript terminates the merger agreement because Mitek's board of directors withdraws or modifies its recommendation to the stockholders of Mitek to vote in favor of the merger agreement and the issuance of shares in accordance with the merger agreement due to any reason other than a reason or reasons arising from a material adverse effect on Parascript, then Mitek will be required to pay Parascript.

Parascript's obligations to pay the termination fee may discourage a third party from pursuing a competing acquisition proposal that could result in greater value to Parascript unitholders. Although the payment of the termination fee could have an adverse effect on the financial condition of the company making the payment, neither Mitek nor Parascript believes that the effect would be material. The board of directors of Mitek and the manager of Parascript determined, based in part on advice from their legal advisors, that the amount of the termination fee and the circumstances in which it would become payable were generally typical for a transaction of the magnitude of this merger.

Matters to Be Considered at the Special Meetings

Mitek (see page 45)

Mitek stockholders will be asked to vote on the following proposals:

1. To consider and vote upon the issuance of Mitek common stock pursuant to the merger agreement, dated as of September 18, 2006, by and among Mitek, Mitek Acquisition Sub, LLC, Parascript, and Parascript Management, Inc., as member representative, and the transactions contemplated by the merger agreement.
2. To consider and vote upon an amendment to Mitek's certificate of incorporation to change the corporate name of Mitek to Parascript, Inc.
3. To consider and vote upon an amendment to Mitek's certificate of incorporation to increase the number of authorized shares of Mitek common stock by 160,000,000 shares, from 40,000,000 to 200,000,000, which is necessary to provide Mitek with sufficient authorized shares of common stock to issue in connection with the merger and to reserve for issuance upon conversion of the senior subordinated convertible notes.
4. To consider and vote upon the issuance of debt which is convertible into shares of common stock of Mitek, the proceeds of which will be used to effect the merger agreement.
5. To consider and vote upon an amendment to the Mitek Systems, Inc. 2006 Stock Option Plan to increase the number of shares of Mitek common stock available for issuance under the plan by 22,000,000 shares to 23,000,000 shares, and to increase the maximum number of shares which can be granted to one person in any one year to 3,500,000.
6. To authorize the Mitek board of directors to amend in its discretion Mitek's certificate of incorporation to effect a reverse stock split of Mitek's issued and outstanding shares of common stock, at such ratio between 1:4 to 1:8 to be determined by the Mitek board of directors, which may be desirable for Mitek to list its common stock on NASDAQ upon completion of the merger with Parascript.
7. To consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve proposals.

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Parascript (see page 47)

Parascript unitholders will be asked to vote on the following proposals:

1. Approve and adopt the merger agreement, dated as of September 18, 2006, by and among Mitek Systems, Inc., Mitek Acquisition Sub, LLC, Parascript and Parascript Management, Inc., as member representative, and the transactions contemplated by the merger agreement.
2. Consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposals.

Voting by Mitek and Parascript Directors/ Managers and Executive Officers

On the Mitek record date, directors and executive officers of Mitek owned and were entitled to vote [] shares of Mitek common stock, or approximately []% and []%, respectively, of the total voting power of the shares of Mitek common stock on that date. On the Parascript record date, directors of Parascript's manager and executive officers of Parascript owned and were entitled to vote [] Parascript units, or approximately []% and []%, respectively, of the total voting power of the Parascript units on that date.

Material U.S. Federal Income Tax Consequences of the Transaction to Parascript Unitholders (see page 65).

The unitholders will recognize taxable gain or loss with respect to their units in Parascript as a result of the merger. The tax consequences of the acquisition to unitholders will vary depending upon each unitholder's individual circumstances and the U.S. federal tax principles applicable thereto. No advance rulings have been or will be sought from the Internal Revenue Service regarding any matter discussed in this joint proxy statement/prospectus.

Officers and Directors After the Business Combination

The combined company will be managed by the current management of Mitek and Parascript. Jim DeBello who is currently the chief executive officer of Mitek will continue to be the chief executive officer and a director of the combined company. Jeffrey Gilb, who is currently the president and chief executive officer of Parascript, will become the president and chief operating officer and a director of the combined company. Tesfaye Hailemichael, who is currently the chief financial officer of Mitek, will continue as the chief financial officer of the combined company. Aron B. Katz, who is currently a member of the board of directors of the manager of Parascript, will be the chairman of the board of the combined company. John Thornton, who is currently the chairman of the board of Mitek, will continue as a director of the combined company. The board of directors of the combined company will include three (3) independent directors, with one (1) nominated by Mitek subject to the approval of Parascript, one (1) nominated by Parascript subject to the approval of Mitek and one (1) nominated by Plainfield subject to the approval of Parascript and Mitek.

Accounting Treatment

The merger will be accounted for as a reverse acquisition using the purchase method of accounting under generally accepted accounting principles. Although Mitek is the acquirer, Parascript will be treated as the acquiring company for accounting purposes in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations.

Regulatory Matters

The merger and the transactions contemplated by the merger agreement are not subject to any federal or state regulatory requirement or approval, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, except for filings necessary to effectuate the merger with the Secretary of State of the State of Wyoming.

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SELECTED HISTORICAL AND UNAUDITED

PRO FORMA COMBINED FINANCIAL INFORMATION

We are providing the following financial information to assist you in your analysis of the financial aspects of the merger. We derived the Mitek historical information from Mitek's audited financial statements as of September 30, 2005 and for the years ended September 30, 2005 and 2004 and from the unaudited financial statements as of June 30, 2006 and for the nine months ended June 30, 2006 and 2005 which are included in this joint proxy statement/prospectus. The information as of September 30, 2003 and as of and for the years ended September 30, 2003, 2002 and 2001 was derived from Mitek's audited financial statements which are not contained in this joint proxy statement/prospectus. We derived the Parascript historical information from Parascript's audited consolidated financial statements as of December 31, 2005 and for the years ended December 31, 2005 and 2004 and from the unaudited financial statements as of June 30, 2006 and for the six months ended June 30, 2006 and 2005 which are included in this joint proxy statement/prospectus. The information as of December 31, 2004 and as of and for the years ended December 31, 2003, 2002 and 2001 was derived from Parascript's audited consolidated financial statements which are not contained in this joint proxy statement/prospectus. The information is only a summary and should be read in conjunction with each company's historical consolidated financial statements and related notes contained elsewhere herein. The historical results included below and elsewhere in this document are not indicative of the future performance of Parascript, Mitek or the combined company.

Selected Historical Financial Data of Mitek

The following selected historical financial information was derived from the audited financial statements of Mitek for the years ended September 30, 2005 and 2004, which have been included elsewhere in this joint proxy statement/prospectus and from the audited financial statements for the years ended September 30, 2003, 2002 and 2001, which can be found in Mitek's Annual Reports on Form 10-K, which can be found at the Securities and Exchange Commission's web site at <http://www.sec.gov>. The information as of June 30, 2006, and for the nine-month periods ended June 30, 2006 and 2005 have been derived from Mitek's unaudited financial statements, which have been included elsewhere in this joint proxy statement/prospectus and which have been prepared on the same basis as the audited financial statements and, in the opinion of management of Mitek, include all adjustments, consisting only of normal recurring adjustments and accruals, necessary for a fair presentation of the financial condition at such date and the results of operations for such periods. Historical results are not necessarily indicative of the results to be obtained in the future.

The selected historical financial data should be read in conjunction with the respective audited and unaudited financial statements of Mitek, including the notes thereto, incorporated herein by reference. See "Where You Can Find More Information" on page 152.

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	Nine months ended			Year ended September 30,			
	2006 (unaudited)	2005 (unaudited)	2005 (audited)	2004 (audited)	2003 (audited)	2002 (audited)	2001 (audited)
Statement of Operations Data:							
Net revenue	\$ 4,675	\$ 4,554	\$ 6,594	\$ 5,240	\$ 11,594	\$ 13,083	\$ 9,387
Costs and expenses							
Cost of revenue	980	743	1,130	1,980	4,541	3,751	2,650
Operations	63	112	145	1,136	1,695	1,872	1,279
Selling and marketing	1,106	1,717	2,074	1,942	3,768	3,014	2,292
Research and development	1,033	1,194	1,507	2,204	2,242	2,049	1,830
General and administrative	1,650	2,634	3,050	2,720	1,848	2,010	1,634
Gain on sale of assets		(1,000)	(1,106)	(1,270)			
Total costs and expenses	4,832	5,400	6,800	8,712	14,094	12,696	9,685
Operating income (loss)	(157)	(846)	(206)	(3,472)	(2,500)	387	(298)
Other income (expense):							
Interest expense	(465)	(745)	(929)	(355)	(7)	(2)	(48)
Change in fair value of warrant liability		82	82	(48)			
Interest and other income	50	23	25	31	25	11	5
Total other income (expense)	(415)	(640)	(822)	(372)	18	9	(43)
Income/(Loss) before income taxes	(572)	(1,486)	(1,028)	(3,844)	(2,482)	396	(341)
Income tax expense (benefit)	1	(1)	(1)	2	10		
Net income (loss)	\$ (573)	\$ (1,485)	\$ (1,027)	\$ (3,846)	\$ (2,492)	\$ 396	\$ (341)