

VIISAGE TECHNOLOGY INC  
Form 424B4  
July 28, 2006  
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Filed Pursuant to Rule 424(b)(4)  
Registration No. 333-131843

July 27, 2006

Dear Viisage and Identix Stockholders:

**A MERGER PROPOSAL YOUR VOTE IS IMPORTANT**

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

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

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

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

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

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

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

Bernard C. Bailey

Dr. Joseph J. Atick

*President and Chief Executive Officer*

*President and Chief Executive Officer*

*of Viisage Technology, Inc.*

*of Identix Incorporated*

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

This joint proxy statement/prospectus is dated July 27, 2006, and is first being mailed to stockholders of both Identix and Viisage on or about August 1, 2006.

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**Viisage Technology, Inc.**

**296 Concord Road, Third Floor**

**Billerica, MA 01821**

**NOTICE OF SPECIAL MEETING IN LIEU OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On August 29, 2006**

To Our Stockholders:

You are cordially invited to attend a special meeting in lieu of an annual meeting of the stockholders of Viisage Technology, Inc., a Delaware corporation, at 11:00 am, Eastern Daylight Time, on August 29, 2006 at the Hyatt Regency Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870.

At the meeting, you will be asked to:

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

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agreement amendment;

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

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

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

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

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

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

Bernard C. Bailey

President and Chief Executive Officer

July 27, 2006

Billerica, Massachusetts

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**IDENTIX INCORPORATED**

**5600 Rowland Road, Suite 205**

**Minnetonka, MN 55343**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On August 29, 2006**

To Our Stockholders:

You are cordially invited to attend a special meeting of stockholders of Identix Incorporated, a Delaware corporation, at the Sheraton Bloomington Hotel, Minneapolis South, 7800 Normandale Boulevard, Minneapolis, Minnesota 55439 on August 29, 2006 at 10:00 a.m., Central Daylight Time.

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

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

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

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

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

By Order of the Board of Directors of  
Identix Incorporated

Dr. Joseph J. Atick

President and Chief Executive Officer

Minnetonka, Minnesota

July 27, 2006

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*REFERENCES TO ADDITIONAL INFORMATION*

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

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

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

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

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



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

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

**Q: What is the merger?**

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

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

**Q: Why are Viisage and Identix merging?**

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

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

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

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

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

take advantage of financial synergies;

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

be led by an experienced management team.

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

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

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

**Q: What is required to complete the merger?**

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

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

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

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

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

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

- A.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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





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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

For a description of the reasons underlying the recommendation of Identix board, see the sections entitled **The Merger Our Reasons for the Merger** and **Other Factors Considered by the Identix Board** on pages 64 and 66 and the section entitled **Identix Proposal No. 2** on page 131.

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

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

Milton Cooper, Malcolm Gudis and John Lawler, current Identix directors, and Boykin Rose will each be appointed as directors of the combined company. Identix appointed directors may appoint an additional director following the consummation of the merger;

options to purchase shares of Identix common stock and restricted shares of Identix common stock, including those held by officers and directors of Identix, will be assumed by Viisage and will become options to acquire Viisage common stock as adjusted for the exchange ratio of the merger;

the vesting of the restricted shares held by the non-employee directors of Identix will be accelerated upon completion of the merger in accordance with the terms of the restricted stock agreements and the applicable stock based compensation plan;

in lieu of transaction-related Identix board meeting and board committee fees until the effective time of the proposed merger, each current independent Identix board member will receive a one-time cash payment of \$25,000 at the closing of the proposed merger;

the three independent Identix directors who are members of the special sub-committee related to the merger (Messrs. Cooper, Gudis and Lawler) will each receive a one-time cash payment of \$25,000 and 9,000 shares of restricted stock at the closing of the proposed merger;

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Mr. Cooper will be appointed as chairman of the compensation committee, Mr. Gudis will be appointed as a member of the audit and compensation committees, Mr. Lawler will be appointed as vice chairman of the audit committee and as a member of the nominating and governance committees, and Mr. Rose will be appointed as a member of the compensation and nominating and governance committees of the combined company;

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

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Messrs. Haugo and Latimer will each enter into one-year consulting agreements with the combined company, pursuant to which they will each receive a fee of \$30,000;

Viisage will continue certain indemnification arrangements and maintain a directors and officers liability insurance policy for persons serving as directors and officers of Identix at the time of the merger for a period of six years following the effective time of the merger;

pursuant to an employment agreement to be entered into with the combined company, Dr. Joseph J. Atick, current Chairman and Chief Executive Officer of Identix, will serve as the Corporate Chief Strategic Officer of the combined company;

pursuant to an employment agreement to be entered into with the combined company, Mark S. Molina, current Chief Legal Officer and Secretary of Identix, will serve as Executive Vice President, Chief Legal Officer and Corporate Secretary of the combined company;

pursuant to an employment agreement to be entered into with the combined company, James H. Moar, current Chief Operating Officer of Identix, will serve as President of the Biometrics Division of the combined company;

Elissa J. Lindsoe, current Chief Financial Officer of Identix, has indicated that she will not serve as the Chief Financial Officer of the Biometrics Division of the combined company. Under her employment agreement, Ms. Lindsoe will receive, subject to the consummation of the merger, a cash payment of \$315,000 equal to one year base salary plus a bonus of \$105,000, insurance coverage and acceleration of vesting of options, which will be exercisable for one year from the termination date;

Identix may, prior to the closing of the proposed merger, pay special one-time performance bonuses in cash to certain employees of Identix, including executive officers of Identix; provided that the aggregate amount of the bonuses will not exceed \$500,000;

certain members of the Identix board and executive officers of Identix, who together beneficially hold approximately 4.7% of the Identix common stock outstanding, have entered into voting agreements with Viisage, in which they agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements.

The combined company will enter into employment agreements with Messrs. Atick, Molina and Moar with respect to their respective positions at the combined company. For additional information about the compensation arrangements, see Employment and Change in Control Arrangements beginning on page 93 of this joint proxy statement/prospectus.

**Q: What stockholder approvals are required for Viisage?**

- A. The affirmative vote of holders of a majority of the shares of Viisage common stock, present in person or represented by proxy at the special meeting and voting on the matter, is required to approve Proposal No. 1 regarding the issuance and reservation for issuance of Viisage common stock.

The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock is required to approve Proposals No. 2A-2B regarding amendments to Viisage's certificate of incorporation.

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The affirmative vote of holders of two-thirds of the outstanding shares of Viisage common stock is required to approve Proposals No. 2C-2E regarding amendments to Viisage's certificate of incorporation.

The affirmative vote of holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter is required to approve Proposal No. 3 regarding adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1 or Proposals No. 2A-2E.

Directors are elected by a plurality vote, which means that the four directors receiving the most votes under Proposal 4 will be elected to fill the seats on the Viisage board of directors.

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The affirmative vote of a majority of the shares of Viisage common stock, present or represented by proxy at the special meeting and voting on the matter, is required to approve Proposal No. 5 regarding adoption of the 2006 Employee Stock Purchase Plan.

The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock, present or represented by proxy at the special meeting and voting on the matter is required to approve Proposal No. 6 regarding the ratification of Deloitte & Touche LLP as Viisage's independent registered public accounting firm.

All other actions considered at the meeting may be taken upon the favorable vote of a majority of the votes present in person or represented by proxy at the meeting.

The representation, in person or by proxy, of at least a majority of the outstanding shares of common stock entitled to vote at the special meeting is necessary to establish a quorum. Shares of common stock represented in person or by proxy (including broker non-votes (as defined below) and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. In order to approve any of the proposals or transact any other action at the meeting, a quorum must be present. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

### **Q: Why does Viisage want to increase the number of authorized shares?**

A: Viisage's certificate of incorporation currently does not authorize a sufficient number of shares of common stock to complete the merger. Viisage is currently authorized to issue 75 million shares of common stock and 2 million shares of preferred stock. As of June 30, 2006, 29,083,388 million shares of Viisage common stock were issued and outstanding. Under the terms of the merger agreement, Viisage must issue approximately 42.5 million shares (representing 0.473 shares of common stock for each share of Identix common stock) of common stock in the merger, which would result in approximately 71.6 million shares of Viisage common stock outstanding, in all cases excluding shares that may be issued prior to the merger upon exercise of stock options. Viisage believes that authorizing additional shares of common stock is required to enable Viisage to have sufficient shares of common stock authorized for issuance in the merger pursuant to the 2006 Employee Stock Purchase Plan and upon the exercise of options, warrants and other exchangeable or convertible securities, whether currently outstanding or issued in the future. Viisage also believes that authorizing additional shares of common stock is essential to provide Viisage with the flexibility it needs to meet business needs and take advantage of opportunities as they arise.

### **Q: How many votes do Viisage stockholders have?**

A: Each holder of record of Viisage common stock as of June 30, 2006 will be entitled to one vote for each share of common stock held on that date. As of June 30, 2006, directors and executive officers of Viisage and their affiliates as a group beneficially owned and were entitled to vote approximately 14.1 million shares of Viisage common stock, representing approximately 45.8% of the shares of Viisage common stock outstanding on that date. All of the directors and executive officers of Viisage who are entitled to vote at the special meeting have indicated that they intend to vote their shares of Viisage common stock in favor of adoption of the merger agreement and in favor of all of the merger related proposals. In addition, each member of the Viisage board of directors, each of the executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members), who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements. Viisage and Identix added the provision relating to releasing 50% of the shares subject to the voting agreement in the event that the Viisage board changed its recommendation in order to



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address the concern that the combination of a 45% voting commitment and the inability of Viisage to terminate the merger agreement per its terms could increase the possibility of a claim that such measures were coercive or preclusive and that the board breached its fiduciary duties under Delaware law.

### **Q: What stockholder approvals are required for Identix?**

- A. The affirmative vote of holders of a majority of the voting power of the outstanding shares of Identix common stock is required to approve Proposal No. 1 regarding the adoption of the merger agreement.

The affirmative vote of holders of a majority of the outstanding shares of Identix common stock, present in person or represented by proxy at the special meeting entitled to vote thereon, is required to approve Proposal No. 2 regarding adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1.

The representation, in person or by proxy, of at least a majority of the outstanding shares of common stock entitled to vote at the special meeting is necessary to establish a quorum. Shares of common stock represented in person or by proxy (including broker non-votes (as defined below) and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. In order to approve any of the proposals or transact any other action at the meeting, a quorum must be present. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

### **Q: How many votes do Identix stockholders have?**

- A. Each holder of record of Identix common stock as of June 30, 2006 will be entitled to one vote for each share of common stock held on that date. At the close of business on June 30, 2006 directors and executive officers of Identix and their affiliates as a group beneficially owned and were entitled to vote approximately 1,624,256 million shares of Identix common stock, representing approximately 1.8% of the shares of Identix common stock outstanding on that date. All of the directors and executive officers of Identix who are entitled to vote at the special meeting have indicated that they intend to vote their shares of Identix common stock in favor of adoption of the merger agreement and in favor of all of the merger related proposals. Certain members of the Identix board and executive officers of Identix, who together beneficially hold approximately 4.7% of the Identix common stock outstanding, have entered into voting agreements with Viisage, in which they agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements. Viisage and Identix added the provision relating to releasing 50% of the shares subject to the voting agreement in the event that the Viisage board changed its recommendation in order to address the concern that the combination of a 45% voting commitment and the inability of Viisage to terminate the merger agreement per its terms could increase the possibility of a claim that such measures were coercive or preclusive and that the board breached its fiduciary duties under Delaware law.

### **Q: What do I need to do now?**

- A. We encourage you to read this joint proxy statement/prospectus carefully, including its annexes, and then vote your proxy for the relevant proposals.

If you are a Viisage stockholder, you may vote in person at the Viisage special meeting or submit a proxy using the enclosed proxy card or via the Internet or telephone.

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To vote in person, come to the special meeting, and you will be given a ballot when you arrive.

To submit a proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the meeting, your shares will be voted as you direct.

If you are a registered stockholder (that is, if you hold your stock in certificate form), you may submit a proxy by telephone or electronically through the Internet by following the instructions included with your proxy card. If your shares are held in street name, please check your proxy card or contact your broker or

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nominee to determine whether you will be able to submit voting instructions by telephone or electronically. The deadline for the submission of voting instructions by telephone or electronically is 11:59 p.m., Eastern Daylight Time, on August 28, 2006.

If you are an Identix stockholder, you may vote in person at the Identix special meeting or vote by proxy using the enclosed proxy card or via the Internet or telephone.

To vote in person, come to the special meeting, and you will be given a ballot when you arrive.

To vote by proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the meeting, your shares will be voted as you direct.

If you are a registered stockholder (that is, if you hold your stock in certificate form), you may submit a proxy by telephone or electronically through the Internet by following the instructions included with your proxy card. If your shares are held in street name, please check your proxy card or contact your broker or nominee to determine whether you will be able to submit voting instructions by telephone or electronically. The deadline for the submission of voting instructions by telephone or electronically is 11:59 p.m., Eastern Daylight Time, on August 28, 2006.

Please also see the instructions included with the enclosed proxy card. Regardless of whether you return your proxy card, you may attend the applicable special meeting and vote your shares in person.

**Q: If my Viisage shares are held in street name by my broker, will my broker vote my Viisage shares for me?**

A: Brokers cannot vote your Viisage shares on the merger related Proposals No. 1 through 3 or on Proposal No. 5 regarding the adoption of Viisage's 2006 Employee Purchase Plan. Therefore, it is important that you follow the directions provided by your broker about how to instruct your broker to vote your shares. If you do not provide instructions to your broker about how to vote your shares on these proposals, your shares will be treated as broker non-votes with respect to these proposals. Even if you do not give your broker instruction as to how to vote on the other proposal to elect directors to the Viisage board, your broker may be entitled to use its discretion in voting your shares in accordance with industry practice.

**Q: What happens if I do not vote, abstain from voting, or do not instruct my broker to vote my shares of common stock?**

A. The failure of a Viisage stockholder to vote in person or by proxy, abstentions and broker non-votes will not affect the outcome of Viisage Proposal No. 1, Viisage Proposal No. 3, Viisage Proposal No. 5 or Viisage Proposal No. 6, but will have the effect of voting AGAINST Viisage Proposals No. 2A-2E. However, failure to vote, abstentions and broker non-votes on Viisage Proposal No. 1, Viisage Proposal No. 3, Viisage Proposal No. 5 or Viisage Proposal No. 6 will reduce the number of votes required to approve those proposals. While these proposals are being voted upon separately, each of Proposals No. 1 and 2A-2E must be approved in order for any of them to be implemented. With respect to Proposal No. 4, the four nominees receiving the highest number of votes cast at the special meeting will be elected, regardless of whether that number represents a majority of the votes cast. Failure to vote, abstentions and broker non-votes will have no effect on this proposal.

The failure of an Identix stockholder to vote in person or by proxy, abstentions and broker non-votes will have the effect of voting AGAINST Identix Proposal No. 1. The failure of an Identix stockholder to vote in person or by proxy will not affect the outcome of Identix Proposal No. 2. However, failure to vote on Identix Proposal No. 2 will reduce the number of votes required to approve that proposal.





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**Q: May I change my vote after I have submitted my proxy?**

A. Yes. You may revoke your proxy at any time before your proxy is voted at the special meeting. You can do this in any of three ways:

First, you can send a written, dated notice to the Secretary of Viisage or Identix, as applicable, stating that you would like to revoke your proxy.

Second, you can complete, date and submit a new later-dated proxy card.

Third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

**Q: What are the material federal income tax consequences of the merger to me?**

A. The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended, and it is a closing condition to the merger that Viisage and Identix receive opinions of their respective counsel regarding such qualification. As a result of the merger's qualification as a reorganization, Identix stockholders will not recognize income gain or loss for United States federal income tax purposes upon the exchange of shares of Identix common stock for shares of Viisage common stock, except with respect to cash received in lieu of fractional shares of Viisage common stock.

**Tax matters are very complicated, and the tax consequences of the merger to a particular stockholder will depend in part on such stockholder's circumstances. Accordingly, we encourage you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.**

For more information, see the section entitled "The Merger - Material United States Federal Income Tax Considerations" on page 97.

**Q: Should I send in my Identix stock certificates now?**

A. No. After the merger is completed, you will receive written instructions from Viisage or the exchange agent explaining how to exchange your shares of Identix common stock for the merger consideration.

**Q: When do you expect the merger to be completed?**

A. We anticipate that the closing of the merger will occur in the third calendar quarter of 2006, but we cannot predict the exact timing. For more information, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" on page 110.

**Q: Am I entitled to appraisal rights?**

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- A. Holders of Viisage common stock and Identix common stock are not entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger. For more information, see the section entitled "The Merger - No Appraisal Rights" on page 99.

**Q. How will the merger affect my stock options to acquire Identix common stock and restricted shares?**

- A. At the effective time of the merger, each outstanding option to purchase Identix common stock will be assumed by Viisage and converted into an option to purchase Viisage common stock. Each outstanding Identix restricted share will be converted into a right to receive restricted shares of Viisage common stock.

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The number of shares of Viisage common stock subject to each assumed option and each restricted share will be equal to the number of shares of Identix common stock subject to the option or restricted share multiplied by the exchange ratio of 0.473, rounded down to the nearest whole number (with no cash being payable for any fractional share eliminated by such rounding). The exercise price per share for shares of Viisage common stock under each assumed option will equal the exercise price for the Identix common stock under the option divided by 0.473, rounded up to the nearest whole cent. After adjusting the assumed options to purchase Identix common stock and the restricted shares to reflect the application of the exchange ratio and the assumptions by Viisage, all other terms of the assumed options and the restricted shares will remain unchanged. Some holders of Identix restricted shares will be entitled to acceleration of vesting upon the closing of the merger. For more information as it relates to some of Identix directors and executive officers, see *The Merger Interests of Certain Identix Persons in the Merger* on page 91.

### **Q: Who is paying for this proxy solicitation?**

- A. Viisage and Identix are jointly conducting this proxy solicitation and will share the cost of soliciting proxies, including the preparation, assembly, printing and mailing of this joint proxy statement/prospectus, the proxy card and any additional information furnished to stockholders. Viisage estimates that its proxy solicitor fees will be approximately \$6,000 and Identix estimates that its proxy solicitor fees will be approximately \$8,500. We may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their costs of forwarding proxy and solicitation materials to beneficial owners. If you choose to access the proxy materials and/or submit your proxy over the Internet, you are responsible for any related Internet access charges you may incur. If you choose to submit your proxy by telephone, you are responsible for any related telephone charges you may incur.

### **Q: How can other members of my household who are also stockholders receive separate copies of the joint proxy statement/prospectus?**

- A: Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements/prospectuses and annual reports. This means that only one copy of our proxy statement/prospectus and annual report to stockholders may have been sent to multiple stockholders in your household. Viisage or Identix, as appropriate, will promptly deliver a separate copy of either document to you if you contact Viisage or Identix at the Investor Relations addresses and telephone numbers listed below. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the below address or telephone number.

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**Q: Who can help answer my questions?**

A. If you would like to receive additional copies of this joint proxy statement/prospectus, without charge, or if you have questions about the merger or the special meeting, including the procedures for voting your shares, you should contact:

If you are a Viisage Stockholder:

Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, Massachusetts 01821

Attn: Maureen Todaro

(978) 932-2438

Viisage has retained the following firm to assist in the solicitation of proxies:

The Altman Group

1200 Wall Street West

Third Floor

Lyndhurst, NJ 07071

(210)-806-7300

If you are a Identix Stockholder:

Identix Incorporated

5600 Rowland Road

Minnetonka, MN 55343

Attn: Damon Wright

(952) 979-8485

Identix has retained the following firm to assist in the solicitation of proxies:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

(800) 829-6551

You may also obtain additional information about Viisage and Identix from the documents they file with the SEC or by following the instructions in the section entitled **Where You Can Find More Information** on page 226.

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**SUMMARY**

*The following summary highlights selected 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 joint proxy statement/prospectus, including the annexes, and the other documents we refer to or incorporate by reference, for a more complete understanding of the merger and other proposals described in this summary. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information* that begins on page 226 of this joint proxy statement/prospectus.*

**Viisage Technology, Inc.**

**296 Concord Road, Third Floor**

**Billerica, MA 01821**

**Telephone No. (978) 932-2200**

Viisage delivers advanced technology identity solutions for governments, law enforcement agencies and businesses concerned with enhancing security, reducing identity theft, and protecting personal privacy. Viisage solutions include secure credentials such as passports and drivers licenses, biometric technologies for uniquely linking individuals to those credentials, providing fingerprinting products, services and solutions to government, civil, and commercial customers that require criminal background checks and screening and credential authentication technologies to ensure the documents are valid before individuals are allowed to cross borders, gain access to finances, or granted other privileges. With over 3,000 installations worldwide, Viisage's identity solutions stand out as a result of the Company's industry-leading technology and unique understanding of customer needs. Viisage's product suite includes Identity TOOLS(TM) SDK, Viisage PROOF(TM), PIER(TM), FaceEXPLORER(R), iA-thenticate(R), BorderGuard(R), Auto Test(TM), FacePASS(TM) and FaceFINDER(R).

The common stock of Viisage is traded on the Nasdaq National Market (symbol: VISG). Its website can be accessed at [www.viisage.com](http://www.viisage.com). The information on Viisage's website is not a part of this joint proxy statement/prospectus.

**Identix Incorporated**

**5600 Rowland Road**

**Minnetonka, MN 55343**

**Telephone No. (952) 932-0888**

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Identix Incorporated is one of the world's leading multi-biometric technology companies. Identix provides fingerprint, facial and skin biometric technologies, as well as systems, and critical system components that empower the identification of individuals in large-scale ID and ID management programs. Identix offerings include live scan systems and services for biometric data capture, mobile systems for on-the-spot ID, and backend standards-based modules and software components for biometric matching and data mining. Identix products are used to conduct background checks, speed travel and commerce via secure identification documents,

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prevent identity fraud in large-scale government and civil ID programs, and control access to secure areas and networks. With a global network of partners, such as leading system integrators, defense prime contractors and OEMs, Identix serves a broad range of markets including government, law enforcement, gaming, finance, travel, transportation, corporate enterprise and healthcare.

Identix common stock is traded on the Nasdaq National Market (symbol: IDNX). Identix website can be accessed at [www.identix.com](http://www.identix.com). The information on Identix website is not a part of this joint proxy statement/prospectus.

### **The Merger (page 58)**

In the merger, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, will merge with and into Identix, and Identix will become a wholly owned subsidiary of Viisage. Holders of Identix common stock, options, restricted shares and warrants will become holders of Viisage common stock, options, restricted shares and warrants following the merger. As a result of the negotiated fixed exchange ratio, which represents a premium over Identix's quoted stock price prior to the announcement of the merger, the shares of Viisage common stock issued to Identix stockholders in connection with the merger are expected to represent approximately 59% of the outstanding shares of Viisage common stock immediately following the closing of the merger, based on the number of shares of Viisage and Identix common stock outstanding on June 30, 2006. The exchange ratio was determined as part of the extensive negotiations between the parties with respect to the terms of the merger agreement, including corporate governance matters such as the initial composition of the combined company's board. On July 7, 2006, the parties entered into the merger agreement amendment. The amendment increased the total potential size of the board of the combined company following closing of the merger to 14 directors, with 13 of such directors being identified and appointed immediately upon completion of the merger. The amendment increased the total number of directors of the combined company to be appointed by Viisage to nine while maintaining Identix's right to appoint five directors, but extended Identix's right to appoint its fifth director after completion of the merger. These changes were made to the merger agreement because the parties mutually concluded that there may be an opportunity to attract additional, exceptional talent to the board of directors of the combined company and that it is in the best interests of the companies' respective shareholders that the combined company operate with a board that is larger than originally contemplated in the merger agreement. Identix has not, as of the date of this joint proxy statement/prospectus, identified its fifth director to be appointed to the combined company, and since, under the terms of the original merger agreement, Identix's right to appoint such fifth director would have otherwise expired at the closing of the merger, the parties mutually agreed it appropriate to allow such fifth director to be appointed by Identix after completion of the merger. In addition, the merger agreement originally identified various management positions at the combined company for Bernard Bailey, Bradley Miller, Elliot Mark and Elissa Lindsoe. Those persons, however, have indicated that they will not continue employment with the combined company. The merger agreement amendment therefore removes from the merger agreement the references to these people serving the combined company.

*Merger Consideration.* Upon completion of the merger, each share of Identix common stock will be converted into the right to receive 0.473 shares of Viisage common stock (referred to as the exchange ratio).

Because the exchange ratio is fixed in the merger agreement, the market value of the Viisage common stock that Identix securityholders receive in the merger may vary significantly from that implied by current trading prices.

*Treatment of Stock Options, Restricted Shares and Warrants.* Upon completion of the merger, each outstanding option to purchase Identix common stock will be assumed by Viisage and converted into an option to purchase Viisage common stock. Each outstanding Identix restricted share will be converted into a right to receive restricted shares of Viisage common stock. Each outstanding Identix warrant to purchase common stock will be assumed by Viisage and converted into a warrant to purchase Viisage common stock.





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The number of shares of Viisage common stock subject to each assumed option, restricted share and warrant will be equal to the number of shares of Identix common stock subject to the option, share or warrant multiplied by 0.473, rounded down to the nearest whole number (with no cash being payable for any fractional share). The exercise price per share of Viisage common stock under each assumed option and warrant will equal the exercise price for the Identix common stock under the option or warrant divided by 0.473, rounded up to the nearest whole cent. After adjusting the assumed options, restricted shares and warrants to reflect the application of the exchange ratio, all other terms of the assumed options, restricted shares and warrants will remain unchanged. Some holders of Identix restricted shares will be entitled to acceleration of vesting upon the closing of the merger which is projected to result in stock based compensation expense of approximately \$150,000 in such fiscal quarter that the merger closes. For more information as it relates to some of Identix' directors and executive officers, see the section entitled "The Merger - Interests of Certain Identix Persons in the Merger" beginning on page 91.

A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We encourage you to read it carefully.

### **Opinion of Financial Advisor to the Board of Directors of Viisage (page 68 and Annex B)**

USBX Advisory Services, LLC rendered its oral opinion on January 11, 2006, subsequently confirmed in writing on the same day, to the Viisage board of directors that, as of such date, and based upon and subject to certain matters stated in its opinion, from a financial point of view, the exchange ratio to be paid by Viisage in the merger was fair to holders of Viisage common stock. The full text of USBX Advisory Services' written opinion, dated January 11, 2006, is attached as Annex B to this joint proxy statement/prospectus. USBX Advisory Services provided its opinion for the use and benefit of the Viisage board of directors in connection with its consideration of the merger. USBX Advisory Services' opinion was not intended to be and did not constitute a recommendation to any stockholder of Viisage or Identix as to how such stockholder should vote with respect to the merger. Although Bear Stearns was hired by Viisage as a financial advisor in connection with the merger, Viisage did not request, and Bear Stearns did not provide, a fairness opinion to the Viisage board of directors.

### **Opinion of Financial Advisor to the Board of Directors of Identix (page 74 and Annex C)**

Janney Montgomery Scott LLC delivered its opinion to Identix' board of directors to the effect that, as of January 11, 2006, based upon and subject to the matters set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the holders of Identix common stock. The full text of Janney's written opinion, dated January 11, 2006, is attached as Annex C to this joint proxy statement/prospectus. Janney's opinion provided its opinion to inform and assist Identix' board of directors in connection with the board's consideration of the merger. Janney's opinion is not a recommendation as to how any stockholder of Viisage or Identix should vote on the merger.

### **Amendments to Viisage's Certificate of Incorporation; Recommendation of Viisage's Board (page 115 and Annex D)**

The amendment to Viisage's certificate of incorporation authorizing additional shares of common stock is required under the terms of the merger agreement and is necessary to enable Viisage to have enough shares of authorized common stock to close the merger and have the flexibility to meet business needs and opportunities. The amendment would enable Viisage to issue or reserve shares for general corporate purposes that may be identified in the future, such as acquisitions of businesses and Viisage's employee benefit plans, without further stockholder approval. If the Viisage stockholders approve the proposed amendment to the certificate of incorporation, the Viisage board of directors may cause the issuance of additional shares of common stock.



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without further stockholder approval, unless stockholder approval is otherwise required by law or the rules of any securities exchange or inter-dealer quotation system on which the common stock is then listed. The additional shares of common stock would have rights identical to the currently outstanding common stock and no other change in the rights of stockholders is proposed.

In addition, Viisage is also proposing to amend its certificate of incorporation to change Viisage's name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage's certificate of incorporation relating to the preceding two proposals.

The Viisage board of directors recommends a vote FOR Proposals No. 2A-2E to amend the certificate of incorporation.

## **Expected Timing of the Merger**

The parties anticipate that the closing of the merger will occur in the third calendar quarter of 2006, if Viisage and Identix have received the requisite stockholder approvals.

## **Conditions to Completion of the Merger (page 110)**

The completion of the merger depends on a number of conditions being satisfied, including the following:

the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger and the amendments to Viisage's certificate of incorporation shall have been approved by the stockholders of Viisage;

the merger agreement shall have been adopted by the stockholders of Identix;

the parties' respective representations and warranties contained in the merger agreement must be true and correct, subject in certain cases to exceptions that would not have a material adverse effect and other specified exceptions about the parties' capitalization and authorization to enter into the merger agreement;

the parties must each be in compliance in all material respects with their respective covenants contained in the merger agreement;

L-1 Investment Partners, LLC and Viisage must enter into a termination and noncompete agreement terminating all arrangements (other than those specifically identified in such agreement) whereby L-1 Investment Partners, LLC provides financial, advisory,

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administrative or other services to Viisage; and prohibiting L-1 Investment Partners, LLC and its affiliates from directly advising, performing services for, investing in or entering into any other agreement with any person that competes directly or indirectly with Viisage or Identix (other than with respect to investments of L-1 Investment Partners, LLC as specifically identified in such agreement) in form and substance satisfactory to Viisage and Identix; and

the antitrust waiting period applicable to the merger shall have expired or been terminated.

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Each of the conditions to the merger may be waived by the company entitled to assert the condition except to the extent the condition must be satisfied in order to comply with applicable law or regulatory requirements. On March 23, 2006, the parties received early termination of the thirty-day waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended.

### **Termination of the Merger Agreement; Fees Payable (page 111)**

Viisage and Identix may jointly agree to terminate the merger agreement without completing the merger. In addition, either Viisage or Identix may terminate the merger agreement if any of the following events occur:

the closing of the merger has not occurred by September 1, 2006, but this termination right is not available to a party whose failure to comply with the merger agreement resulted in the failure to complete the merger by that date;

any permanent injunction or other order of a court or other competent authority preventing the closing of the merger has become final and nonappealable;

the stockholders do not adopt the merger agreement (in the case of Identix), or approve the issuance of common stock in connection with the merger and the amendments to its certificate of incorporation (in the case of Viisage);

the other party has breached any of its representations, warranties or covenants and the breach cannot be or is not cured within the time allowed, and if not cured the breach would result in a failure of certain conditions to the merger;

the other party breaches its obligation to hold its stockholder meeting to vote on the adoption of the merger agreement (in the case of Identix), or the approval of the issuance of common stock in connection with the merger and the amendments of its certificate of incorporation (in the case of Viisage);

the other party's board of directors has withdrawn or adversely modified its recommendation in favor of the matters to be voted upon by such party's stockholders; or

the other party has approved or recommended an alternative transaction proposal, which is an acquisition by any person of beneficial ownership of more than 20% of the issued and outstanding shares of any class of capital stock in a single or a series of transactions, any sale or lease of all or more than 20% of the assets in a single or a series of transactions, or any liquidation or dissolution of the party.

A termination fee of \$20 million may be payable by either Viisage or Identix to the other party upon the termination of the merger agreement under several circumstances. As of March 31, 2006, Viisage had \$46.4 million of cash on hand and \$8.5 million of available borrowing capacity under its Loan and Security Agreement with Citizens Bank of Massachusetts, and Identix had \$33.9 million of cash, cash equivalents and marketable securities on hand. While both Viisage and Identix have sufficient cash on hand or borrowing capacity available to pay any termination fee, the growth strategy and financing strategy for the company paying the termination fee does not assume the payment of such fee and, as a result, could be adversely affected.

### **Expenses (page 108)**

All fees and expenses incurred in connection with the merger agreement and the merger will be paid by the party incurring such expenses. All fees and expenses associated with the filing and printing of the registration statement and this joint proxy statement/prospectus will be borne equally by Viisage and Identix.

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### **No Solicitation (page 105)**

Viisage and Identix have agreed that they will not solicit, encourage or facilitate any alternative transaction proposal. They have also agreed to notify each other of inquiries, proposals or offers that constitute alternative transaction proposals. Viisage and Identix have agreed to cause each of their officers, directors, employees, agents, advisors and other representatives to not solicit, encourage or facilitate any alternative transaction proposal. However, if either party receives an unsolicited alternative transaction proposal that is superior, so long as certain conditions are satisfied, that party may engage in negotiations with respect to the superior alternative transaction proposal.

### **Governmental and Regulatory Matters (page 96)**

To complete the merger, Viisage and Identix must make filings and obtain approvals or clearances from antitrust regulatory authorities in the United States. On March 23, 2006, the parties received early termination of the thirty-day waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended. Viisage must also comply with applicable federal and state securities laws and the rules and regulations of the Nasdaq National Market in connection with the issuance of the Viisage common stock pursuant to the merger and the filing of this joint proxy statement/prospectus with the Securities and Exchange Commission.

### **Material United States Federal Income Tax Consequences of the Merger (page 97)**

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a closing condition to the merger that Viisage and Identix receive opinions of their respective counsel regarding such qualification. As a result of the merger's qualification as a reorganization, Identix stockholders will not recognize income gain or loss for United States federal income tax purposes upon the exchange of shares of Identix common stock for shares of Viisage common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Viisage common stock. None of Viisage, VIDS Acquisition Corp. nor Identix will recognize gain or loss as a result of the merger.

### **Anticipated Accounting Treatment (page 99)**

In accordance with Statement of Financial Accounting Standard No. 141, the merger will be accounted for as a purchase transaction by Viisage for financial reporting purposes under U.S. generally accepted accounting principles. After the merger, the results of operations of Identix will be included in the consolidated financial statements of Viisage. The cost of the acquisition, which is equal to the aggregate merger consideration, including the fair value of vested stock options and warrants of Identix assumed by Viisage and transaction costs, will be allocated based on the fair values of the Identix assets acquired and the Identix liabilities assumed. These allocations will be made based upon valuations and other studies that have not yet been finalized.

### **Appraisal Rights (page 99)**

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Holders of Identix common stock and Viisage common stock are not entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger.

### **Comparison of Rights of Holders of Viisage Common Stock and Identix Common Stock (page 143)**

After the merger, holders of Identix common stock will become stockholders of Viisage. Although Viisage and Identix are both Delaware corporations, and the General Corporation Law of the State of Delaware, or the DGCL, governs the rights of their respective stockholders, each of the companies' certificate of incorporation and bylaws provide their stockholders with different rights. The certificate of incorporation and bylaws of each of the companies provide different stockholder rights with respect to:

who is allowed to call a special meeting of the stockholders;



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whether stockholders have the ability to take action by written consent;

determining a record date if the board of directors does not fix a date;

notice provisions for annual and special stockholder meetings;

director election and removal provisions;

notice provisions for special board meetings;

director and officer indemnification provisions;

dividend provisions;

liquidation provisions;

certain activities that specifically need stockholder approval; and

bylaws amendment provisions.

For a more comprehensive discussion and comparison of the rights of holders of Viisage common stock and Identix common stock, please see Comparison of Rights of Holders of Viisage Common Stock and Identix Common Stock and Corporate Governance Matters on page 143.

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**RECENT DEVELOPMENTS**

**Aston Investment and IBT Acquisition; Reverse Stock Split**

On October 5, 2005, Viisage entered into an investment agreement (referred to as the investment agreement) with L-1 Investment Partners, LLC (referred to as L-1) providing for the issuance and sale of Viisage common stock and warrants to L-1 in the amounts described below, subject to Viisage stockholder approval. L-1 subsequently assigned its rights and obligations under the Investment Agreement to Aston Capital Partners L.P. (referred to as Aston), an affiliate of L-1. Aston is a private investment fund organized as a limited partnership and managed by its general partner, Aston Capital Partners GP LLC and L-1. Robert LaPenta, James DePalma, Joseph Paresi and Doni Fordyce directly and indirectly hold all the beneficial ownership in the general partner and L-1. Prior to Aston's investment in Viisage and Viisage's acquisition of Integrated Biometric Technology, Inc., as described below, Viisage had no other relationships with L-1 and its affiliates, except that Messrs. LaPenta and DePalma were individual investors in Viisage.

On November 4, 2005, L-1 entered into a membership interest purchase agreement (referred to as the membership interest purchase agreement) with Integrated Biometric Technology, Inc. (referred to as IBT Parent), its wholly-owned subsidiary, Integrated Biometric Technology LLC (referred to as IBT), and the stockholders of IBT Parent to acquire 60% of the outstanding membership interests of IBT for \$35 million in cash and to acquire the remaining 40% on or before January 30, 2006 for an additional \$25 million. L-1 subsequently assigned its rights and obligations under the membership interest purchase agreement to Aston.

Aston began operations on October 12, 2005. In anticipation of its formation, L-1 negotiated and executed agreements for an investment in Viisage and for the acquisition of IBT. After Aston's formation, these agreements were assigned to Aston. At the time of its investment in Viisage, Aston also transferred its previously acquired 60% interest in IBT to Viisage for \$35 million in cash and assigned its right to acquire the remaining interest in IBT for 2 million shares of Viisage common stock.

On November 15, 2005, Viisage entered into an assignment and assumption agreement (referred to as the assignment agreement) with Aston under which Viisage agreed to pay \$35 million to Aston for its previously acquired 60% interest in IBT, subject to the consummation of the Aston investment in Viisage and customary closing conditions. Also on November 15, 2005, Viisage entered into an agreement and plan of merger (referred to as the IBT merger agreement) with IBT Parent, IBT and the stockholders of IBT Parent under which Viisage agreed to issue to the stockholders of IBT Parent shares of common stock of Viisage, in the amounts and on the terms described below, for all of the outstanding capital stock of IBT Parent. The only asset of IBT Parent at the time of the merger was the 40% interest in IBT not previously acquired by Aston.

On December 16, 2005, the Viisage stockholders approved the transactions contemplated by the investment agreement and a one-for-two and a half reverse stock split of the issued and outstanding common stock of Viisage. The reverse stock split had the effect of combining the issued and outstanding shares of Viisage common stock so that each issued and outstanding two and one-half (2.5) shares of common stock prior to the reverse stock split represented one (1) share of common stock immediately after the reverse stock split. The reverse stock split took effect on December 16, 2005 and all share related disclosures in this joint proxy/prospectus are reported on a post-reverse split basis. Viisage's common stock began trading on the Nasdaq National Market on a post-split basis on December 19, 2005.

On December 16, 2005, in accordance with the terms of the investment agreement between Viisage and Aston, Viisage (i) issued and sold to Aston 7,619,047 shares of Viisage common stock at \$13.125 per share and (ii) issued to Aston warrants to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of \$13.75 per shares. The sale of the shares and warrants resulted in aggregate gross

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proceeds to Viisage of \$100 million, \$98.7 million after transaction costs, and net cash to Viisage of \$63.7 million after the \$35 million payment to Aston for Aston's ownership interest in IBT as described below. The warrants issued to

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Aston are exercisable until December 16, 2008, subject to the following vesting provisions: warrants to purchase (i) 1,280,000 shares of Viisage common stock vest on a pro rata basis when and if acquisitions involving the payment of aggregate consideration of \$125 million are consummated (referred to as the acquisition warrants) or upon a change in control of Viisage; (ii) 213,333 shares of Viisage common stock vest when and if Viisage's gross revenues for any four consecutive quarters are equal to or greater than \$200 million or upon a change in control of Viisage; and (iii) 106,667 shares of Viisage common stock vest when and if Viisage's gross revenues for any four consecutive quarters are equal to or greater than \$300 million or upon a change in control of Viisage. As a result of the consummation of the IBT acquisition described above, 614,400 of the shares related to the acquisition warrants vested. As a result of the SecuriMetrics acquisition described below, an additional 307,200 shares related to the acquisition warrants vested. Viisage has agreed with Aston that the merger with Identix does not constitute a change of control as defined in the warrants so that the warrants are not required to be exercised prior to completion of the merger with Identix.

On December 16, 2005, in accordance with the terms of the assignment agreement, Viisage completed the purchase of 60% of the outstanding membership interests of IBT from Aston for \$35 million in cash. Also on December 16, 2005, in accordance with the terms of the IBT merger agreement, all of the outstanding capital stock of IBT Parent was exchanged for 2,000,000 shares of common stock of Viisage, and IBT Parent was merged with and into a subsidiary of Viisage, which resulted in IBT Parent becoming a wholly-owned subsidiary of Viisage. The merger agreement provides that the stockholders of IBT Parent are eligible to receive from Viisage additional consideration for each share of Viisage common stock issued in the merger, equal to the amount, if any, by which \$12.50 (or \$17.50 in the event that defined revenues of IBT for the year ended December 31, 2006 exceed \$75 million) exceeds the average of the closing bid prices of Viisage common stock during the month of February 2007, as reported on the NASDAQ Stock Market, in each case as adjusted for any stock splits. Any difference will be paid in additional shares of Viisage common stock, provided that if the average of the closing bid prices for Viisage common stock during the month of February 2007 is less than \$6.25, the difference to be paid will be determined as if the average price were \$6.25. As a result of the two transactions, Viisage acquired 100% of the outstanding membership interests of IBT.

On December 16, 2005, upon the completion of the acquisition of IBT and IBT Parent as described above, Viisage issued warrants to purchase 440,000 shares of Viisage common stock with an exercise price of \$13.75 per share to L-1 for strategic advice, due diligence and other services relating to the acquisition. Warrants to purchase 280,000 of the shares were fully vested and are exercisable for three years. If during any of 2006, 2007 or 2008, the IBT business generates earnings before interest, taxes, depreciation and amortization of \$6 million or more, the remaining warrants to purchase 160,000 shares of Viisage common stock will vest. These warrants have a term of three years from the date of such vesting, if any.

On December 18, 2005, Mr. Robert V. LaPenta, the founder and chief executive officer of L-1, and Mr. George Tenet, the former director of the Central Intelligence Agency, were elected to the Viisage board of directors. Mr. LaPenta was also elected as chairman of the Viisage board and chairman of the strategic committee of the Viisage board.

## **Other Recent Acquisitions**

On December 13, 2005, Viisage acquired the AutoTest division of Openshaw Media Group, a leading provider of automated web-based applicant testing technologies for state departments of motor vehicles and other credential issuing agencies for \$4 million in cash.

On February 5, 2006, Viisage entered into an agreement and plan of merger to acquire SecuriMetrics, Inc. for \$30 million in cash, including \$2 million that will be placed in escrow. In addition, the SecuriMetrics stockholders will have an opportunity to earn up to an additional \$13 million in consideration if key performance thresholds are reached and contingencies resolved, of which \$11.5 million would be paid in shares of Viisage common stock at a fixed price of \$17.69 per share and the remainder (\$1.5 million) would be paid in cash. The acquisition of SecuriMetrics was completed on February 17, 2006.



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On July 14, 2006, Viisage and Iris Acquisition I Corp., a wholly-owned subsidiary, of Viisage entered into an Agreement and Plan of Merger with Iridian Technologies, Inc. to acquire all of the outstanding capital stock of Iridian for \$35 million in cash, subject to adjustment. Pursuant to the merger agreement, Iridian will survive as a wholly-owned subsidiary of Viisage. The aggregate merger consideration is subject to adjustment in the event that Iridian's net asset value, as defined in the merger agreement, is less than one dollar as of the closing of the merger, after giving effect to the payment of transaction-related expenses. In addition, from the merger consideration, \$2 million in cash will be placed in escrow for 18 months, which will be available to compensate Viisage for any losses it may incur as a result of any breach of the representations or warranties of Iridian contained in the merger agreement and certain liabilities arising out of the ownership or operations of Iridian prior to the closing of the merger. In the event that holders of Iridian capital stock exercise dissenter's rights under Delaware law, an additional amount from the merger consideration may be placed in escrow, which will be used exclusively to compensate Viisage for costs associated therewith.

Consummation of the Iridian merger is subject to customary closing conditions, including obtaining approval by the shareholders of Iridian. The merger agreement contains certain termination rights for both Viisage and Iridian.

The Board of Directors of Viisage has unanimously approved the merger agreement (and the Board of Directors of Identix has consented to the merger). The merger agreement contains customary representations, warranties and covenants made by the parties to each other. Iridian's covenants include that (i) Iridian will conduct its business in the ordinary course consistent with past practice during the period between the execution of the merger agreement and the closing of the merger, (ii) Iridian will not engage in certain kinds of transactions during such period, and (iii) Iridian will not solicit proposals or enter into negotiations relating to or concerning alternative business combination transactions.

Viisage is continuing to evaluate potential acquisitions of companies that would complement the company's current portfolio of products and customer solutions. At this time, negotiation of potential acquisitions are in preliminary stages. There is no assurance that any agreements will be reached or that any transaction will be consummated. In addition, Viisage cannot provide assurances that a transaction, even if consummated, will be successful. For more information on the risks if Viisage does not achieve the expected benefits of its acquisitions, see the related risk factor on page 26.

## **Directors and Executive Officers**

On July 10, 2006, Viisage announced that Admiral James M. Loy, former Deputy Secretary of the Department of Homeland Security, and former commandant of the U.S. Coast Guard joined Viisage's Board of Directors and, on July 24, 2006, Viisage announced that Mr. Louis Freeh, former Director of the Federal Bureau of Investigation joined Viisage's Board of Directors.

Bernard C. Bailey, current Chief Executive Officer of Viisage, and Bradley T. Miller, current Chief Financial Officer of Viisage, have each indicated that they will not serve as executive officers of the combined company. Viisage intends to enter into separation agreements with Mr. Bailey and Mr. Bradley, contingent upon the closing of the merger. For more information about the severance payments under those separation agreements, see "Employment and Change in Control Arrangements" on page 88 of this joint proxy statement/prospectus.

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**RISK FACTORS**

*The merger involves a high degree of risk for both Viisage and Identix stockholders. Identix stockholders will be choosing to invest in Viisage common stock by voting in favor of adoption of the merger agreement. An investment in Viisage common stock involves a high degree of risk. Both Viisage and Identix stockholders will decide to combine the businesses of Viisage and Identix, which will change the business of each of Viisage and Identix. This change involves significant risk. In addition to the other information contained or incorporated by reference in this joint proxy statement/prospectus, both Viisage and Identix stockholders should carefully consider the following risk factors in deciding whether to vote for the issuance of shares of Viisage common stock in connection with the merger and the amendments to the certificate of incorporation, in the case of Viisage stockholders, or for adoption of the merger agreement, in the case of Identix stockholders.*

**Risks Related to the Merger**

*The exchange ratio is fixed, so the market value of the consideration received by Identix stockholders will change as the market price of Viisage common stock goes up or down.*

The exchange ratio is fixed at 0.473 of a share of Viisage common stock for each share of Identix common stock and will not be adjusted in the event of changes in the market prices of either the Identix common stock or the Viisage common stock. If the market price of Viisage common stock changes, the value of the consideration to be received by the Identix stockholders will also change. For instance, if the market price of Viisage common stock decreases, the value of the consideration to be received by the Identix stockholders will also decrease. On the other hand, if the market price of Viisage common stock increases, the value of the consideration to be received by the Identix stockholders will increase correspondingly. Neither company may terminate the merger agreement or elect not to complete the merger because of changes in their stock prices, unless such change is a result of a material adverse effect, as defined in the merger agreement. During the 12-month period ended on June 30, 2006, the most recent practicable date prior to the mailing of this joint proxy statement/prospectus, the high and low sale prices for Viisage common stock ranged from \$19.25 to \$10.38, and the high and low sale prices for Identix common stock ranged from \$8.48 to \$4.30.

The market prices of Identix common stock and Viisage common stock on the date of the merger may be different from their prices on the date of the merger agreement, the date of this joint proxy statement/prospectus or the dates of the special meetings. Because the merger may occur on a date later than the dates of the special meetings, the market prices of Identix common stock and Viisage common stock on the dates of the special meetings may not be indicative of their market prices on the date of the merger. You are encouraged to obtain current market quotations for Viisage and Identix common stock.

*Integration of the two businesses may be difficult to achieve, which may adversely affect operations.*

The merger involves risks related to the integration and management of technology, operations and personnel of two companies. The integration of the businesses of Viisage and Identix will be a complex, time-consuming and expensive process and may disrupt their business if not completed in a timely and efficient manner. Following the merger, Viisage and Identix must operate as a combined organization utilizing common information and communications systems, operating procedures, financial controls and human resources practices.

Viisage and Identix may encounter substantial difficulties, costs and delays involved in integrating their operations, including:

potential conflicts between business cultures;

adverse changes in business focus perceived by third-party constituencies;

potential conflicts in distribution, marketing or other important relationships;



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potential resource constraints for accounting personnel;

inability to implement uniform standards, controls, procedures and policies;

integration of the research and development and product development efforts; and

loss of key employees and/or the diversion of management's attention from other ongoing business concerns.

In addition, Viisage has offices in three locations and plans to move its corporate headquarters from Billerica, Massachusetts, to Stamford, Connecticut. Identix is headquartered in Minnesota and has employees in seven locations. The geographic distances between the companies and their respective offices and operations increases the risk that the integration will not be completed successfully or in a timely and cost-effective manner. Viisage and Identix may not be successful in overcoming these risks or any other problems encountered in connection with the integration of the companies. The combined company will also need to manage the integration of Integrated Biometric Technology LLC and SecuriMetrics, Inc. The simultaneous integration of these acquisitions with the integration of Viisage and Identix may place additional strain on the combined company's resources and increase the risk that the combined company's business may be adversely affected by the disruption caused by the acquisitions.

***The costs associated with the merger are difficult to estimate, may be higher than expected and may harm the financial results of the combined company.***

Viisage and Identix estimate that they will incur aggregate direct transaction costs of approximately \$9.5 million associated with the merger, including an allocation of \$2.0 million of a fee in the aggregate amount of \$2.5 million payable to L-1 simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and in connection with the merger, of which \$2.0 million will be allocated to the merger and \$0.5 million will be allocated to the acquisition of SecuriMetrics. This one-time fee compensates L-1 for all services provided by L-1, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies (which include SecuriMetrics, Identix and other potential transactions that have not been consummated); (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other acquisition-related matters. L-1 is not entitled to any other fees.

The combined company also will incur costs associated with consolidation and integration of operations, which cannot be estimated accurately at this time. Additional costs may include:

costs of employee redeployment, relocation and retention, including salary increases or bonuses,

accelerated amortization of deferred equity compensation and severance payments,

reorganization or closure of facilities,

relocation and disposition of excess equipment, and

termination of contracts that provide redundant or conflicting services.

Some of these costs may have to be accounted for as expenses by Viisage that would decrease the combined company's net income and earnings per share for the periods in which those adjustments are made. If the total costs of the merger exceed estimates or the benefits of the merger do not exceed the total costs of the merger, the financial results of the combined company could be adversely affected. In addition, the closing of the merger could be delayed beyond the expected timeline of Viisage and Identix, adding cost and diverting management resources, which could adversely affect the combined company's business, operations and financial results.

*Completion of the merger may result in dilution of future earnings per share to the stockholders of Viisage.*

The completion of the merger may not result in improved earnings per share of Viisage or a financial condition superior to that which would have been achieved by either Viisage or Identix on a stand-alone basis. The merger could fail to produce the benefits that the companies anticipate, or could have other adverse effects

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that the companies currently do not foresee. In addition, some of the assumptions that either company has made, such as the achievement of operating synergies, may not be realized. In this event, the merger could result in a reduction of earnings per share of Viisage as compared to the earnings per share that would have been achieved by Viisage or Identix if the merger had not occurred.

*The combined company's net operating loss carryforwards may be limited as a result of the merger.*

Viisage and Identix have net operating loss carryforwards for federal income tax purposes of \$50.4 million and \$213.0 million at December 31, 2005 and June 30, 2005, respectively, and it is estimated that these loss carryforwards have increased through March 31, 2006. Both entities have provided full valuation allowances for the tax benefit of such losses as well as certain tax credit carryforwards. Utilization of these net operating loss and credit carryforwards are dependent upon the combined company achieving profitable results following the merger. As a consequence of the merger, as well as earlier business combinations and issuances of common stock consummated by both companies, utilization of the tax benefits of these carryforwards are subject to limitations imposed by Section 382 of the Internal Revenue Code. The determination of the limitations is complex and requires significant judgment and analysis of past transactions. Neither entity has completed the analyses required to determine what portion, if any, of these carryforwards will have their availability restricted or eliminated by that provision. Accordingly, some portion of these carryforwards may not be available to offset future taxable income, if any.

*The market price of Viisage common stock could decline.*

The market price of Viisage common stock could