

LANTRONIX INC
Form S-3
November 15, 2018
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As filed with the Securities and Exchange Commission on November 15, 2018

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER

THE SECURITIES ACT OF 1933

LANTRONIX, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

33-0362767

(I.R.S. Employer Identification Number)

7535 Irvine Center Drive, Suite 100

Irvine, California 92618

(949) 453-3990

(Address and telephone number of registrant's principal executive offices)

Jeremy R. Whitaker

Chief Financial Officer

Lantronix, Inc.

7535 Irvine Center Drive, Suite 100

Irvine, California 92618

(949) 453-3990

(Name, address and telephone number of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Number of shares to be registered⁽¹⁾	Proposed maximum offering price per share⁽²⁾	Proposed maximum aggregate offering price⁽²⁾	Amount of registration fee⁽³⁾
Common stock, \$0.0001 par value per share	1,241,748	\$ 3.57	\$4,433,040.36	\$ 537.28

Pursuant to Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), the shares being (1) registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends, or similar transactions.

Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities (2) Act based on a price of \$3.57, which was the average of the high and low sales prices of the common stock, as reported on the Nasdaq Capital Market on November 13, 2018.

A registration fee of \$365.00 was previously paid in connection with the filing of a Registration Statement on Form S-3 (File No. 333-215090), which was filed on December 14, 2016 and declared effective on January 10, 2017 (the “Prior Registration Statement”). No securities were sold pursuant to the Prior Registration Statement, (3) which was withdrawn on September 11, 2018. Pursuant to Rule 457(p) under the Securities Act, the registration fee associated with this registration statement is hereby offset in part against the \$365.00 in registration fees paid in connection with the Prior Registration Statement. As a result, the filing fee due under this registration statement is \$172.28.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION, DATED NOVEMBER 15, 2018

1,241,748 Shares

LANTRONIX, INC.

Common Stock

This prospectus relates to the disposition of up to 1,241,748 shares of Lantronix, Inc. (“Lantronix”) common stock by the selling stockholders listed in this prospectus, or their permitted transferees. The shares of common stock being offered by the selling stockholders were originally issued in a private placement to Hale Capital Partners, LP completed in June 2016.

All of the shares offered hereby are being sold by the selling stockholders named in this prospectus, or their permitted transferees, and Lantronix will not receive any proceeds from sales of these securities. Lantronix will bear the costs and fees of the registration of the shares, and the selling stockholders will bear all commissions and discounts, if any, attributable to the sales of the shares.

The prices at which the selling stockholders or their permitted transferees may dispose of their Lantronix shares will be determined by the selling stockholders at the time of sale and may be at the prevailing market price for the shares, at prices related to such market price, at varying prices determined at the time of sale, or at negotiated prices. Information regarding the selling stockholders and the times and manner in which they may offer and sell the shares or interests therein under this prospectus is provided under “Selling Stockholders” and “Plan of Distribution” in this prospectus. The selling stockholders may resell the common stock to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions.

You should carefully read this prospectus and any accompanying prospectus supplement, as well as the documents incorporated by reference herein or therein, before you invest in our common stock.

Our common stock is listed on the NASDAQ Capital Market and traded under the symbol "LTRX." On November 13, 2018, the last reported sale price for our common stock on the NASDAQ Capital Market was \$3.57 per share.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE SECTION OF THIS PROSPECTUS ENTITLED "RISK FACTORS" ON PAGE 6 BEFORE YOU INVEST IN OUR SECURITIES.

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

The date of this prospectus is _____, 2018.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the “SEC”) using a “shelf” registration process. Under this shelf registration process, the selling stockholders listed in this prospectus may, from time to time, sell the shares of common stock described in this prospectus in one or more offerings.

All references to “Company,” “we,” “our,” or “us” refer solely to Lantronix, Inc. References to “selling stockholders” refer to those stockholders listed under the “Selling Stockholders” section of this prospectus.

We may add, update or change any of the information contained in this prospectus or in any accompanying prospectus supplement we may authorize to be delivered to you. To the extent there is a conflict between the information contained in this prospectus and any accompanying prospectus supplement, you should rely on the information in the prospectus supplement. This prospectus, together with any accompanying prospectus supplement, includes all material information relating to this offering.

You should rely only on the information contained in this prospectus, in any accompanying prospectus supplement, or in any document incorporated by reference herein or therein. We have not authorized anyone to provide you with any different information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide to you. The information contained in this prospectus, in any applicable prospectus supplement, and in the documents incorporated by reference herein or therein is accurate only as of the date such information is presented. Our business, financial condition, results of operations and future prospects may have changed since those respective dates.

This prospectus and any accompanying prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor does this prospectus and any accompanying prospectus supplement constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described in the section entitled “Risk Factors” in this prospectus and any accompanying prospectus supplement before you invest in our securities.

You should also carefully read the additional information described in the sections entitled “Incorporation of Certain Documents by Reference” and “Where You Can Find More Information” before you invest in our securities.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus, any accompanying prospectus supplement, and the documents we incorporate by reference herein and therein, contain forward-looking statements within the meaning of the federal securities laws, which statements are subject to substantial risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this prospectus or any accompanying prospectus supplement, or the documents incorporated by reference herein or therein, are forward-looking statements. We have attempted to identify forward-looking statements by using words such as “may,” “believe,” “will,” “could,” “project,” “anticipate,” “expect,” “estimate,” “should,” “continue,” “potential,” “plan,” “forecasts,” “goal,” “seek,” “intend,” other forms of these words or similar words or expressions or the negative thereof. These forward-looking statements relate to, among other things:

- predictions about our earnings, revenues, margins, expenses or other financial matters;
- forecasts of our financial condition, results of operations, liquidity position, or working capital requirements;
- the impact of changes to our share-based awards and any related changes to our share-based compensation expenses;
- the impact of future offerings and sales of our debt or equity securities;
- the impact of changes in our relationships with our customers;
- plans or expectations with respect to our product development activities, business strategies or restructuring and expansion activities;
- demand and growth of the market for our products or for the products of our competitors;
- the impact of pending litigation, including outcomes of such litigation;
- the impact of our response to and implementation of recent accounting pronouncements and changes in tax laws on our consolidated financial statements and the related disclosures;
- unexpected changes in regulatory requirements, taxes, trade laws and tariffs;
- our ability to comply with certain financial obligations in our loan agreement;
- sufficiency of our internal controls and procedures;
- expectations and results related to our plans to realign and reallocate our personnel and other resources; and
- assumptions or estimates underlying any of the foregoing.

We have based our forward-looking statements on management’s current expectations and projections about trends affecting our business and industry and other future events. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance to differ materially from our historical results or those expressed or implied in any forward-looking statement. Some of the risks and uncertainties that may cause actual results to differ from those expressed or implied in the forward-looking statements are described under the heading “Risk Factors” on page 6 of this prospectus, as well as the risks and uncertainties described in any accompanying prospectus supplement and in the documents that we incorporate by reference herein or therein. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition or results of operations.

You should read this prospectus, together with any accompanying prospectus supplement, the documents that we incorporate by reference into this prospectus and any accompanying prospectus supplement, and the documents that we file as exhibits to the registration statement of which this prospectus is a part, in its entirety with the understanding that our future results may be materially different from and worse than what we currently expect. The forward-looking statements we make speak only as of the date on which they are made. We expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof to conform such statements to actual results or to changes in our opinions or expectations, except as required by applicable law or the rules of the NASDAQ Stock Market. If we do update or correct any forward-looking statements, investors should not conclude that we will make additional updates or corrections.

We qualify all of our forward-looking statements by these cautionary statements.

PROSPECTUS SUMMARY

About the Company

Lantronix, Inc. (the “Company,” “Lantronix,” “we,” “our,” or “us”) is a global provider of secure data access and management solutions for Internet of Things (“IoT”) assets. Our mission is to be the leading supplier of IoT and related Information Technology management solutions that enable companies to simplify the creation, deployment, and management of IoT projects while providing secure access to data for applications and people.

With more than 25 years of experience in creating information technology management and machine to machine technologies, Lantronix is an innovator in enabling our customers to build new business models and realize the possibilities of the IoT. Our connectivity solutions are deployed inside millions of machines and data centers serving a wide range of industries, including medical, security, industrial, transportation, retail, financial, environmental and government.

Our strategy is to leverage our networking and software development expertise to develop technologies that make it easier for our customers to participate in the IoT. We are primarily focused on the following market transitions:

- the increasing role of wireless networks for IoT communication;
- the desire to remotely access, monitor and manage machines and IT infrastructure assets; and
- the increasing importance of security in IoT deployments.

We conduct our business globally and manage our sales teams by three geographic regions: the Americas; Europe, Middle East, and Africa; and Asia Pacific Japan.

Corporate Information

We were incorporated in California in 1989 and reincorporated in Delaware in 2000. Our principal executive offices are located at 7535 Irvine Center Drive, Suite 100, Irvine, California 92618, and our telephone number is (949) 453-3990. Our common stock is currently traded on the NASDAQ Capital Market under the symbol “LTRX.” We maintain a corporate website at www.lantronix.com. The contents of our website are not incorporated by reference into this prospectus and should not be considered to be a part of this prospectus or relied upon in connection herewith.

Stock Purchase Agreement

On June 16, 2016, we entered into a Common Stock Purchase Agreement (the “Stock Purchase Agreement”) with, and consummated a private placement of 1,941,748 shares of our common stock (the “HCP Shares”) to, Hale Capital Partners, LP, a Delaware limited partnership (“HCP”). The offer and sale of the HCP Shares were not registered under the Securities Act in reliance on the exemption afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder.