

NIGHTHAWK SYSTEMS INC  
Form 424B5  
September 23, 2005

FILED PURSUANT TO RULE 424(b) (5)  
FILE NO. 333-120179

PROSPECTUS  
NIGHTHAWK SYSTEMS, INC.  
OFFERING UP TO 52,864,500 COMMON SHARES

This prospectus relates to the resale of up to 2,614,500 shares of our common stock pursuant to a Special Warrant sale to individual accredited investors, the resale of up to 48,250,000 shares of our common stock by Dutchess Private Equities Fund, II, LP pursuant to a Debenture Agreement, a warrant and an Investment Agreement, and the resale of up to 2,000,000 shares of our common stock by U.S. Euro Securities, Inc. pursuant to the Investment Agreement. We have received cash proceeds from the sale of the Special Warrants and the issuance of the convertible debentures under the Debenture Agreement with Dutchess, and expect to receive cash proceeds from any "puts" pursuant to the Investment Agreement we have entered into with Dutchess. All costs associated with this registration will be borne by us.

Dutchess, First Associates and U.S. Euro Securities are "underwriters" within the meaning of the Securities Act of 1933, as amended, in connection with the resale of our common stock under the Investment Agreements. In connection with the Debenture Agreement, U.S. Euro Securities received a cash commission of 5% and 100,000 shares of our restricted common stock. In connection with the Investment Agreement, U.S. Euro Securities will receive a cash commission of 5% of cash provided under the agreement and 2,000,000 shares of common stock, which are being registered under this prospectus. In connection with the Special Warrants, First Associates received a cash commission of 8%, or \$18,592, of the gross proceeds from the sale of the Special Warrants and 12.5% of the amount of Special Warrants sold for a total number of Special Warrants for First Associates of 145,250.

The shares of common stock are being offered for sale by the selling stockholders at prices established on the Over-the-Counter Bulletin Board or in negotiated transactions during the term of this offering. Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol NIHK.OB. On September 21, 2005, the last reported closing sale price of our common stock was \$0.09 per share.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK.  
YOU SHOULD PURCHASE SECURITIES ONLY IF YOU CAN AFFORD A COMPLETE LOSS.  
SEE "RISK FACTORS" BEGINNING ON PAGE 6.

You should rely only on the information provided in this prospectus or any supplement to this prospectus and information incorporated by reference. We have not authorized anyone else to provide you with different information. Neither the delivery of this prospectus nor any distribution of the shares of common stock pursuant to this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus.

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

# Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 424B5

The date of this prospectus is September 23, 2005.

## TABLE OF CONTENTS

PROSPECTUS SUMMARY	1
RISK FACTORS	5
USE OF PROCEEDS	8
DETERMINATION OF OFFERING PRICE	9
DILUTION	9
SELLING SECURITY HOLDERS	10
PLAN OF DISTRIBUTION	11
LEGAL PROCEEDINGS	13
DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS	13
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	14
INTEREST OF NAMED EXPERTS AND COUNSEL	16
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS	17
DESCRIPTION OF BUSINESS	17
MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION	20
DESCRIPTION OF PROPERTY	29
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	30
MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	30
EXECUTIVE COMPENSATION	30
FINANCIAL STATEMENTS	F-1 - F-25

## PROSPECTUS SUMMARY

The following information is a summary of the prospectus and it does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus carefully, including the financial statements and the notes relating to the financial statements.

## OUR COMPANY

We design and manufacture intelligent remote monitoring and power control products that are easy to use, inexpensive and can remotely control virtually any device from any location. Our products save consumers and businesses time, effort and expense by eliminating the need for a person to be present when and where an action needs to be taken. Currently, most commercial control applications utilize telephone lines, which tether the system to a single location and have associated installation and monthly charges. Our wireless products eliminate installation costs and monthly charges for telephone lines. This wireless application also allows businesses and consumers to remotely control unmanned or remote locations that may operate on traditional electrical power, or solar or battery generated power. By utilizing existing wireless technology, we give our users the flexibility to move their application from place to place, without re-engineering their network.

Active applications for our intelligent products include, but are not limited to:

- Rebooting unmanned computer stations;
- Remote switching of residential power;
- Managing power on an electrical grid;
- Activation/deactivation of alarm and warning devices;
- Displaying or changing a digital or printed message or warning signs;
- Turning pumps on or off; and
- Turn on heating or cooling equipment.

Our proprietary, wireless products are easily integrated into third-party products, systems and processes. They allow for intelligent control by interpreting instructions sent via paging and satellite media, and executing the instructions by 'switching' the electrical current that powers the device,

## Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 424B5

system or process. Our intelligent products can be activated individually or in pre-defined groups for specified time periods with a simple click of a mouse or by dialing a telephone number.

1

We are a publicly traded company, which trades on the Over-the-Counter bulletin Board of the National Quotation Service under the ticker symbol "NIHK.OB"

### HOW TO CONTACT US

Our executive offices are located at 10715 Gulfdale, Suite 200, San Antonio, Texas 78216. Our phone number is 210-341-4811. Our manufacturing facility is located at 8300 East Pacific Place, Suite 204, Denver, Colorado 80231. Our website address is [www.nighthawksystems.com](http://www.nighthawksystems.com). Information contained on our website does not constitute part of this report and our website address should not be used as a hyperlink to our website.

### SALES BY OUR SELLING STOCKHOLDERS

This prospectus relates to the resale of up to 2,614,500 shares of our common stock pursuant to a Special Warrant sale to individual accredited investors, the resale of up to 48,250,000 shares of our common stock by Dutchess pursuant to a Debenture Agreement, a warrant and an Investment Agreement, and the resale of up to 2,000,000 shares of our common stock by U.S. Euro Securities pursuant to the Investment Agreement.

The table below sets forth the shares that we are registering pursuant to the Registration Statement to which this prospectus is a part:

Stockholder	Number of Shares
-----	-----
Dutchess Private Equities Fund II, LP	48,250,000 shares (1)
U.S. Euro Securities	2,000,000 shares
Christopher Vorberg	1,100,000 shares
Rod Saville	600,000 shares
Douglas Hunter	500,000 shares
Fraser Hindson	124,000 shares
First Associates	290,500 shares (2)
Total common stock being registered	52,864,500 shares