

FORCE PROTECTION INC
Form 424B3
April 16, 2004

Filed Pursuant to Rule 424(b)(3)
REGISTRATION NO. 333-114263

PROSPECTUS
FORCE PROTECTION, INC.

This prospectus relates to the sale of up to 65,000,000 shares of our common stock by our stockholders. We are not selling any securities in this offering and therefore will not receive any proceeds from this offering. We will, however, receive proceeds from the sale of securities under an Investment Agreement, also referred to as an Equity Line of Credit that we have entered into with one of the selling stockholders, Dutchess Private Equities Fund, L.P., which permits us to "put" up to \$3.5 million in shares of common stock to Dutchess Private Equities Fund. Under the March 23, 2004 Private Placement we have agreed not to utilize the Equity Line for a period of 6 months following the effective registration of certain shares underlying a Private Placement also included in this prospectus. Additionally, we may receive funds from the exercise of warrants held by certain selling stockholders. All costs associated with this registration will be borne by us.

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 FRCP.OB. On March 31, 2004, the last reported sale price of our common stock was \$0.26 per share.

Dutchess Private Equities Fund, LP and Charleston Capital, LLC are "underwriters" within the meaning of the Securities Act of 1933, as amended, in connection with the resale of common stock under the Investment Agreement. Dutchess will pay us 93% of lowest closing bid price of the common stock during the five consecutive trading day period immediately following the date of our notice to them of our election to put shares pursuant to the Equity Line of Credit. The 15,000,000 common shares held by Gamma Opportunity Capital, Longview Fund, Alpha Capital, Domino International, Magellan International, and Mountain Ridge were issued in a prior private placement.

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 8.

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

THE DATE OF THIS PROSPECTUS IS APRIL 16, 2004

Edgar Filing: FORCE PROTECTION INC - Form 424B3

PROSPECTUS SUMMARY	4
SHARES ELIGIBLE FOR FUTURE SALE	6
RISK FACTORS	8
USE OF PROCEEDS	16
DILUTION	17
SELLING STOCKHOLDERS	18
PLAN OF DISTRIBUTION	21
CAPITALIZATION	22
DIVIDEND POLICY	23
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	23
DESCRIPTION OF BUSINESS	27
DESCRIPTION OF PROPERTY	31
MANAGEMENT	31
EXECUTIVE COMPENSATION	33
RELATED PARTY TRANSACTIONS	35
MARKET FOR OUR COMMON STOCK	36
REPORTS TO SECURITYHOLDERS	37
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	37
DESCRIPTION OF SECURITIES	37
LEGAL PROCEEDINGS	40
LEGAL MATTERS	40
EXPERTS	40
FINANCIAL STATEMENTS	F-1

3

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements including the notes thereto, appearing elsewhere in this prospectus. Because it is a summary, it does not contain all of the information you should consider before making an investment decision.

FORCE PROTECTION, INC.

We incorporated in the State of Colorado in November 1996. Our wholly-owned subsidiary, Technical Solutions Group, Inc. incorporated in Nevada in 1997. We acquired Technical Solutions Group, Inc. in July 2002. Through our subsidiary, Technical Solutions Group, Inc. we manufacture and market military vehicles that are protected against landmines and hostile fire. These vehicles are typically used to transport personnel safely in areas infested with landmines and for the actual removal of landmines.

Our principal executive offices are located at 9801 Highway 78, #3, Ladson, South Carolina 29456. Our telephone number is (843) 740-7015.

THE OFFERING

On March 23, 2004, we closed a private offering. This offering, sold to six accredited investors, consisted of the following:

1. 15,000,000 shares at \$0.20 per share;
2. An "A" Warrant for each share purchased, exercisable at \$0.24 per share. The "A" Warrants expire March 23, 2006; and
3. A "Green Shoe" Warrant for each share purchased, exercisable at \$0.20 per

Edgar Filing: FORCE PROTECTION INC - Form 424B3

share. The "Green Shoe" Warrants expire 180 days after the effective date of this registration statement.

On September 20, 2003 we entered into an Investment Agreement with Dutchess Private Equities Fund, also referred to as an Equity Line of Credit. That agreement provides that, following notice to Dutchess, we may put to Dutchess up to \$3.5 million in shares of our common stock for a purchase price equal to 93% of the lowest closing bid price on the Over-the-Counter Bulletin Board of our common stock during the five day period following that notice. Each put will be equal to either (a) 200% of the average daily volume of our common stock for the 10 trading days prior to the put notice date, multiplied by the average of the three daily closing best bid prices immediately preceding the Put or (b) \$10,000; provided that in no event will the Put Amount be more than \$1,000,000 with respect to any single Put. Under the March 23, 2004 Private Placement we have agreed not to utilize the Equity Line for a period of 6 months following the effective registration of the shares underlying the Private Placement.

The selling stockholders consist of:

4

Dutchess Private Equities Fund L.P.	20,000,000 (1)
-----	-----
Gamma Opportunity Capital Partners, LP	7,500,000 (2)
-----	-----
Longview Fund, LP	7,500,000 (3)
-----	-----
Alpha Capital Aktiengesellschaft	7,500,000 (4)
-----	-----
Domino International Ltd	6,750,000 (5)
-----	-----
Magellan International Ltd	12,000,000 (6)
-----	-----
Mountain Ridge Capital LLC	3,750,000 (7)
-----	-----