

# IMAGEWARE SYSTEMS INC

## **FORM 8-K** (Current report filing)

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Address	13500 EVENING CREEK DR. N. SUITE 550 SAN DIEGO, CA, 92128
Telephone	8586738600
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 7, 2021

Commission File Number: 00115757

**ImageWare Systems, Inc.**  
(Exact name of registrant as specified in its charter.)

Delaware  
(State or other jurisdiction of incorporation or organization)

330224167  
(IRS Employer Identification No.)

13500 Evening Creek Drive N., Suite 550, San Diego, California 92128  
(Address of principal executive offices)

858-673-8600  
(Registrant's Telephone number)

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of exchange on which registered</u>
None	IWSY	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2)

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 13(a) of the Exchange Act

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 7, 2021, ImageWare Systems, Inc. (the “Company”) entered into a letter agreement to appoint Jay B. Lewis as the Company’s Senior Vice President and Chief Financial Officer. A copy of the letter agreement is attached hereto as Exhibit 10.1, and a copy of the press release issued by the Company regarding Mr. Lewis’ appointment is attached hereto as Exhibit 99.1.

Mr. Lewis, age 62, has over 20 years of experience as a senior financial officer of high growth public companies, and has raised over \$300 million of capital including public and private equity, high-yield and other debt and executed over \$400 million of M&A transactions. Mr. Lewis previously served as the Chief Financial Officer of ID Watchdog, Inc. from 2011 until 2017. ID Watchdog provided subscription-based identity theft protection and resolution services to individuals throughout the United States. Prior to the August 2017 sale to Equifax, Inc. it was a public company traded on the TSX Venture Exchange. As Chief Financial Officer he managed all finance, accounting, public company reporting, investor relations, tax matters and human resources as well as other administrative functions. Prior to ID Watchdog, Lewis served in various senior finance roles, including as Chief Financial Officer of Jones Media Networks, Ltd., which owned cable television networks and the fourth largest network radio company in the United States, and as Vice President of Finance and Treasurer of Jones International, Ltd., a holding company with controlling interests in cable television and other media and technology companies. Mr. Lewis is a Certified Public Accountant, an alumnus of EY, a Big-4 public accounting firm, and holds a Bachelor's degree in accounting from the University of Wyoming.

Mr. Lewis will be paid an annual base salary of \$240,000 in his position as Chief Financial Officer. In addition to other benefits provided to the Company’s executives, he will be issued an option to purchase that number of shares of the Company’s common stock equal to not less than 2% of the Company’s fully diluted shares of common stock, determined in the discretion of the Board of Directors, at an exercise price based on the fair market value of the Company’s common stock on the date of grant. The option shall vest ratably over a three-year period from the date of grant.

There are no family relationships between Mr. Lewis and any director or executive officer of the Company.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

**Exhibit Index**

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.1</a>	Letter Agreement, dated January 7, 2021
<a href="#">99.1</a>	Press Release issued by the Company, dated January 8, 2021.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ImageWare Systems, Inc.**

Date: January 8, 2021

By: /s/ Kristin Taylor  
Kristin Taylor  
Chief Executive Officer

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13500 Evening Creek Dr. N, Suite 550, San Diego, CA 92128

(858) 673-8600 | IWSINC.COM

January 7, 2021

Mr. Jay B. Lewis, CPA  
9503 Silver Spur Lane  
Highlands Ranch, CO 80130

Dear Jay:

ImageWare Systems, Inc. ("ImageWare" or the "Company") is pleased to offer you the position of Senior Vice President and Chief Financial Officer. We would like your start date to be on Friday, January 8, 2021 and is contingent upon receipt of a satisfactory background check and approval by our Board of Directors. Upon satisfactory background clearance we will promptly prepare an Employment Agreement reflecting the terms and conditions set forth herein.

You will be expected to perform various duties consistent with your position, as provided to you from time-to-time by your supervisor. ImageWare may change your position, duties, and work location from time to time, as it deems necessary. You will report directly to me and it is expected that you will work remote from Colorado on a regular daily basis and will travel to the San Diego office as requested (post travel restrictions from COVID-19).

As compensation for your services, you will be paid \$10,000 semi-monthly, less standard payroll deductions and all required withholdings.

You will be eligible for standard ImageWare benefits as in effect from time to time. ImageWare provided benefits become effective the first day of the month following date of hire. In your case, benefits will become effective February 1, 2021. Currently, ImageWare Systems pays 100% of the monthly premium for employee and up to 80% for one eligible dependent enrolled in our medical plan, and 100% of the monthly premium for employee plus one eligible dependent for the dental and vision plans.

As additional compensation for your services, subject to approval by the Board of Directors, you will be awarded not less than 2% of ImageWare's fully diluted shares to be settled in stock options to purchase common stock, determined in the discretion of the Board of Directors. The exercise price shall be the fair market value of ImageWare's common stock on the date of grant. Any award shall vest over a three-year period from date of grant as determined when approved by our Board of Directors. One-third of any grant will vest on the first anniversary following the grant date. Thereafter, the remaining portion will vest in equal amounts on a monthly basis over the next 24-months following the first anniversary date. In the event of a change in control of the Company, any award granted to you shall become fully vested.

Once we achieve profitability, you will be considered for an annual bonus upon attainment of agreed upon corporate and personal objectives as determined between you and our Chairman, President, and CEO and approved by Company's Board of Directors. The bonus amount shall reflect that amount deemed typical for Chief Financial Officers of public companies of similar size and revenue. The framework of the bonus plan is being formulated by myself and Human Resources.

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Post any restrictions in place due to COVID-19 pandemic, it is expected that you will relocate to San Diego by late Spring or Summer 2021. To help offset your moving expense, ImageWare will reimburse you up to \$15,000 of moving expenses upon submission of applicable receipts.

If you are terminated without "cause" you will receive as severance, continued as semi-monthly payments, or a lump sum within ninety (90) days of termination equal to an aggregate, of twelve (12) months of your base pay then in effect and continued health insurance coverage (medical, dental, and vision under COBRA continuation), then in effect, for up to twelve (12) months following your termination or until you secure other insurance coverage, whichever comes first. The actual timing of payments to be mutually agreed upon at time of such event. However, your receipt of these severance benefits would be contingent upon you signing a mutually acceptable release of any and all claims against the Company arising out of or in connection with your employment with the Company.

For purposes of the Agreement, "Cause" shall be defined as follows: i. an act of fraud, embezzlement, or theft in connection with your duties or in the course of your employment with the Company; ii. willful and gross misconduct which results in material injury to the Company; iii. unauthorized disclosure by you of Company trade secrets or proprietary information; iv. violation, including a plea of nolo contendere by you of any federal, state, or local law, ordinance, rule, or regulation (other than traffic violations or similar offenses); v. any breach by you of corporate fiduciary duties owed to the Company; vi. willful failure or refusal by you to perform the duties required by your position with the Company; vii. refusal by you to assist in litigation, arbitration, or other disputes involving the Company so long as such assistance does not interfere with your ability to perform the duties of your position; or viii conviction of a felony. In the event Company believes "Cause" exists for terminating the Agreement pursuant to this Section, the Company shall give you written notice of the acts or omissions under sections "v" and "vi" above constituting "Cause" ("Cause Notice"), and no termination of the Agreement shall be effective unless and until you fail to cure such acts or omissions within fifteen (15) calendar days after receipt of the Cause Notice.

The Company shall reimburse you for all reasonable expenses incurred in the course of performing your duties under the Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject in all instances to the Company's requirements with respect to reporting and documentation of such expenses.

You will be granted three weeks of paid vacation per year.

As an ImageWare employee, you will be expected to abide by ImageWare corporate policies. As a condition of employment, you will be required to sign and comply with the attached Employee Nondisclosure and Invention Assignment Agreement, which among other things, prohibits unauthorized use or disclosure of the proprietary information of ImageWare.

Please understand that all employees at ImageWare are considered to be "at will employees," which means that no guarantee of employment is made or implied. You may terminate your employment with ImageWare at any time and for any reason whatsoever simply by notifying ImageWare. Likewise, ImageWare may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. This at-will employment relationship cannot be changed except in writing signed by an authorized ImageWare officer.

All employees, with access to customer databases and information, are required to submit to and pass a criminal background investigation. Should an employee, whose essential functions and responsibilities require access to such databases and information, fail to submit to and pass a criminal background investigation that employee's employment will immediately terminate.

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This letter, together with your Employee Nondisclosure and Invention Assignment Agreement, forms complete and exclusive statement of the terms of your employment with ImageWare. The employment terms in this letter supersede any other agreements or promises made to you by anyone, whether oral or written. This offer is subject to satisfactory proof of your right to work in the United States as well as your fulfillment of all other necessary conditions required by state or federal law.

Please sign and date a copy of this letter no later than January 7th, to indicate your acceptance of this offer.

When reporting to your first day of employment, please be prepared to provide satisfactory evidence for eligibility of employment as required by federal law. Failure to provide satisfactory evidence for eligibility of employment may delay your employment status with ImageWare.

We are looking forward to a mutually rewarding relationship and believe in your ability to contribute to the future success of ImageWare. If you have any questions about this offer, please do not hesitate to call.

Sincerely,  
ImageWare Systems, Inc.

/s/ Kristin Taylor  
Kristin Taylor  
Chairman, President, and CEO

Acknowledgement and Acceptance:

I hereby accept the terms of my employment with ImageWare Systems, Inc. as set forth above and acknowledge that my employment with ImageWare Systems, Inc. is at-will.

/s/ Jay B. Lewis  
Jay B. Lewis

Date 1/7/2021

*Encl.: Employee Nondisclosure and Invention Assignment Agreement*

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## ImageWare® Appoints Chief Financial Officer

San Diego (January 8, 2021) – ImageWare® Systems, Inc. ([OTCQB: IWSY](#)), a leader in biometric identification and authentication, is pleased to announce the appointment of Jay B. Lewis as Chief Financial Officer (CFO) effective today.

Lewis brings to ImageWare more than 20 years' experience as the senior financial officer of high growth public companies. A seasoned financial executive, he has raised more than \$300 million of capital in public and private equity and debt, and has executed more than \$400 million of M&A transactions.

From 2011 - 2017 Lewis served as the CFO of ID Watchdog, Inc. - a publicly traded subscription-based identity theft protection and resolution services provider – until its 2017 sale to Equifax. The breadth of his responsibilities ranged from management of all finance, accounting, public company reporting, investor relations, tax matters, and human resources.

Prior to Watchdog, Lewis served in various senior finance roles, including as CFO of Jones Media Networks, Ltd. (owner of cable television networks and the fourth largest network radio company in the U.S.) and he was Vice President of Finance and Treasurer of Jones International, Ltd. (a holding company with controlling interests in cable television and other media and technology companies).

Lewis is a CPA, an alumnus of EY (formerly Ernst & Young, a big-4 public accounting firm) and holds a Bachelor's degree in Accounting from the University of Wyoming. Lewis will be based at the San Diego Headquarters by the middle of 2021.

[Kristin A. Taylor, Chair, President and CEO of ImageWare](#), said, “We are extremely pleased to welcome Jay to the ImageWare team. Not only does Jay have the ideal finance and capital markets experience to guide us through our growth trajectory and contemplated up listing to Nasdaq, the depth of his technology and identity experience as well as contacts in the industry, make him well suited to support our velocity and execution plans in 2021.”

Lewis said, “I’m thrilled to be a part of ImageWare’s journey to leverage the latest biometric authentication technology and safeguard identities. The Company’s vision, proven leadership team and product strategies were just a few of the components that led me to know that I want to commit my skills and energies, and to be part of the team driving ImageWare’s growth and success.”

### **About ImageWare® Systems, Inc.**

Founded in 1987, ImageWare provides defense-grade biometric identification and authentication for access to your data, products, services or facilities. We are experts in biometric authentication and considered a preeminent patent holder of multimodal IP, having many of the most-cited patents in the industry. Our patented [IWS Biometric Engine® \(BE\)](#) is the most accurate and fastest biometrics matching engine in the industry, capable of our patented fusion of multiple biometrics. Part of our heritage is in law enforcement having built the first statewide digital booking platform for United States local law enforcement - and more than three decades of experience in the challenging government sector creating biometric smart cards and logical access for millions of individuals. We are a "biometrics first" company, leveraging unique human characteristics to provide unparalleled accuracy for identification while protecting your identity. Please visit [www.iwsinc.com](http://www.iwsinc.com).

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**Forward-Looking Statements**

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “if,” “should” and “will” and similar expressions as they relate to ImageWare Systems, Inc. are intended to identify such forward-looking statements. ImageWare may from time to time update publicly announced projections, but it is not obligated to do so. Any projections of future results of operations should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. For a discussion of such risks and uncertainties, see “Risk Factors” in ImageWare’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and its other reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made.

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