Staffing 360 Solutions, Inc.
Form 424B5
January 24, 2019

PROSPECTUS SUPPLEMENT	Filed Pursuant to Rule 424(b)(5)
(To the Prospectus Dated March 22, 2016)	Registration No. 333-208910

387,500 Shares
Common Stock

Staffing 360 Solutions, Inc.

We are offering 387,500 shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Our common stock is listed on the Nasdaq Capital Market under the symbol "STAF." On January 22, 2019, the last reported sale price of our common stock on the Nasdaq Capital Market was $2.50 per share.

As of January 22, 2019, the aggregate market value of our outstanding common equity held by non-affiliates was approximately $8,421,751 based on 5,331,668 shares of outstanding common stock, of which 3,368,700 shares are held by non-affiliates, and a price of $2.50 per share, which was the last reported trading price of our common stock on the Nasdaq Capital Market on January 22, 2019. As of the date of this prospectus supplement, we have not sold any securities pursuant to General Instruction I.B.6 of Form S-3 during the prior 12-calendar month period that ends on, and includes, the date of this prospectus supplement.

Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading "Risk Factors" beginning on page S-4 of this prospectus supplement, and in the risks discussed in the documents incorporated by reference in this prospectus supplement and accompanying prospectus, as they may be amended, updated or modified periodically in our reports filed with the Securities and Exchange Commission.

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

	Per Share	Total
Offering price	$ 2.00	$ 775,000
Placement agent fees (1)	$ 0.16	$ 62,000
Proceeds, before expenses, to us	$ 1.84	$713,000

(1) In addition, we will pay certain filing fees and expenses incurred by the placement agent and the placement agent's counsel up to $12,500. See "Plan of Distribution" on page 31 of this prospectus supplement for more information regarding the placement agent's compensation.

We have retained ThinkEquity, a division of Fordham Financial Management, Inc. as our non-exclusive placement agent to use its reasonable efforts to solicit offers to purchase the securities in this offering. The placement agent has no obligation to buy any of the securities from us or to arrange for the purchase or sale of any specific number or dollar amount of the securities. Because there is no minimum offering amount required as a condition to closing in this offering, the actual offering amount, placement agent fees, and proceeds to us, if any, are not presently determinable and may be substantially less than the total maximum offering amounts set forth above.

The delivery of the shares of common stock to purchasers is expected to be made on or about January 25, 2019.

ThinkEquity

a division of Fordham Financial Management, Inc.

The date of this prospectus is January 22, 2019

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ABOUT THIS PROSPECTUS SUPPLEMENT

A registration statement on Form S-3 (File no. 333-208910) utilizing a shelf registration process relating to the securities described in this prospectus supplement was initially filed with the Securities and Exchange Commission, or the SEC, on January 7, 2016 and, as amended, was declared effective on March 22, 2016.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our common stock to certain investors and also adds, updates and changes information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document filed prior to the date of this prospectus supplement and incorporated by reference, the information in this prospectus supplement will control. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus—the statement in the document having the later date modifies or supersedes the earlier statement as our business, financial condition, results of operations and prospects may have changed since the earlier dates. You should read this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference in this prospectus supplement and the accompanying prospectus when making your investment decision. You should also read and consider the information in the documents we have referred you to under the heading "Where You Can Find More Information" and "Information Incorporated by Reference."

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. This prospectus supplement is not an offer to sell or solicitation of an offer to buy these securities in any circumstances under which the offer or solicitation is unlawful. We are offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted. You should not assume that the information we have included in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus, respectively, or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any of our securities.

We obtained the industry and market data in this prospectus supplement, the accompanying prospectus and the incorporated documents from our own research as well as from industry and general publications, surveys and studies conducted by third parties. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained in other parts of this prospectus supplement and the accompanying prospectus or incorporated by reference into this prospectus from our filings with the SEC listed in the section of the prospectus entitled "Information Incorporated by Reference." Because it is only a summary, it does not contain all of the information that you should consider before purchasing our securities in this offering and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. You should read the entire prospectus supplement and the accompanying prospectus, and the information incorporated by reference herein in their entirety, including the "Risk Factors" section, starting on page S-4 of this prospectus supplement, as well as the financial statements and the other information incorporated by reference herein before making an investment decision. Unless the context requires otherwise, references in this prospectus to "Staffing 360," "we," "us" and "our" refer to Staffing 360 Solutions, Inc. together with its wholly owned subsidiaries.

Overview

Business overview

We are a high-growth international staffing company engaged in the acquisition of United States and United Kingdom based staffing companies. Our services principally consist of providing temporary contractors, and, to a much lesser extent, the recruitment of candidates for permanent placement. As part of our consolidation model, we pursue a broad spectrum of staffing companies supporting primarily accounting and finance, information technology, engineering, administration and commercial disciplines. As a rapidly growing public company in the international staffing sector, our high-growth business model is based on finding and acquiring, suitable, mature, profitable, operating, domestic and international staffing companies. Our targeted consolidation model is focused specifically on the accounting and finance, information technology, engineering, administration and light industrial disciplines. Our typical acquisition model is based on paying consideration in the form of cash, stock, earn-outs and/or promissory notes. In furthering our business model, we are regularly in discussions and negotiations with various suitable, mature acquisition targets. To date, we have completed ten acquisitions since November 2013.

Recent Developments

On June 28, 2018, we and Staffing 360 Solutions Limited (formerly known as Longbridge Recruitment 360 Limited), our wholly-owned subsidiary, entered into share purchase agreements ("Share Purchase Agreements") to acquire all of the share capital of Clement May Limited ("CML"). Consideration for the acquisition of all the shares was (i) an aggregate cash payment of £1,550,000 ($2,047,000), (ii) 15,000 shares of our common stock, (iii) an earn-out payment of up to £500,000, the amount to be calculated pursuant to the Share Purchase Agreement with the principal of each entity that was the majority holder of CML, to be paid on or around December 28, 2018, and (iv) a deferred consideration of £350,000, to be paid on or around June 28, 2019, depending on the satisfaction of certain conditions set forth in that Share Purchase Agreement. To finance the above transaction, we entered into a term loan with HSBC Bank plc.

On August 27, 2018, we and Monroe Staffing Services, LLC ("Monroe Staffing"), our indirect wholly-owned subsidiary, entered into a Share Purchase Agreement (the "Share Purchase Agreement") with Pamela D. Whitaker ("Seller"), pursuant to which the Seller sold 100% of the common shares of Key Resources Inc. ("Key Resources") to us. The acquisition of Key Resources allowed to expand our commercial staffing presence in North Carolina with the acquisition. Headquartered in Greensboro, North Carolina, and with four office locations, Key Resources is a leading provider of distribution and supply chain personnel.

On November 15, 2018 (the "Closing Date") we entered into a Debt Exchange Agreement (the "Exchange Agreement") with Jackson Investment Group, LLC ("Jackson"), pursuant to which, among other things, Jackson agreed to exchange

$13,000,000 (the “Exchange Amount”) of indebtedness of the Company held by Jackson in exchange for 13,000 shares of a newly created class of preferred stock (the “Debt Exchange”) designated as the Series E Convertible Preferred Stock, par value $0.00001 per share, of the Company (the “Series E Preferred Stock”). In addition, we, as borrower, and certain of our domestic subsidiaries, as guarantors, entered into a Second Omnibus Amendment, Joinder and Reaffirmation Agreement with Jackson, as lender (the “Jackson Omnibus”), which among other things amended that certain Amendment and Restated Note Purchase Agreement, dated as of September 15, 2017, as amended by that certain First Omnibus Amendment and Reaffirmation Agreement, dated as of August 27, 2018, and pursuant to which Jackson amended and restated that certain 12% Senior Secured Promissory Note due September 15, 2020, dated September 15, 2017, in the principal amount of $40,000,000 (the “Original Note”), to reflect the satisfaction and cancellation of principal indebtedness under the Original Note in an amount equal to the $13,000,000 Exchange Amount, and the addition of principal indebtedness in connection with the $312,000 closing fee payable to Jackson, resulting in a new principal amount of $27,312,000 (the “Amended and Restated Note”).

Corporate information

Staffing 360 Solutions, Inc., was incorporated in the State of Nevada on December 22, 2009, as Golden Fork Corporation, which changed its name to Staffing 360 Solutions, Inc., and its trading symbol to “STAF”, on March 16, 2012. On June 15, 2017, we changed our state of domicile to the State of Delaware. Our principal executive office is located at 641 Lexington Avenue, 27th Floor, New York, New York 10022, and our telephone number is (646) 507-5710. Our website is www.staffing360solutions.com, and the information included in, or linked to on, our website are not part of this prospectus. We have included our website address in this prospectus solely as a textual reference.

The Offering

Common stock offered by us	387,500 shares.
Common stock to be outstanding after this offering	5,719,168 shares
Use of proceeds	We intend to use the net proceeds from this offering to fund working capital and other general corporate purposes. See “Use of Proceeds” on page 31 of this prospectus supplement.
Risk factors	See “Risk Factors” beginning on page S-4 of this prospectus supplement page 2 of the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement for a discussion of factors you should consider carefully when making an investment decision.
NASDAQ Capital Market symbol	STAF

The number of shares of our common stock to be outstanding immediately after the closing of this offering is based on 5,331,668 shares of common stock outstanding as of January 22, 2019, and excludes, as of that date:

- 111,400 shares of common stock issuable upon exercise of stock options;
- 43,239 shares of common stock issuable upon potential conversion of Series A Preferred Stock;
- 7,303,371 shares of common stock issuable upon potential conversion of 13,000 shares of Series E Preferred Stock;
- 294,578 shares of common stock issuable upon potential conversion of 489 shares of Series E-1 Convertible Preferred Stock (the “Series E-1 Preferred Stock”) issued as dividend to the holders of the Series E Preferred Stock;
- up to 3,621,085 additional shares of common stock issuable upon potential conversion of shares of Series E-1 Preferred Stock issuable as dividend payable to the holders of the Series E Preferred Stock, based on 6,500 shares of preferred stock designated as Series E-1 Preferred Stock pursuant to the Certificate of Designation of Series E Preferred Stock;
- 925,935 shares of common stock issuable upon exercise of warrants outstanding prior to this offering; and
- 577,372 shares of common stock issuable upon the vesting of unvested restricted stock awards.

RISK FACTORS

Before deciding to invest in our securities, you should consider carefully the following discussion of risks and uncertainties affecting us and our securities, together with other information in this prospectus supplement, the accompanying prospectus and the other information and documents incorporated by reference in this prospectus supplement or the accompanying prospectus, including the risks and uncertainties discussed below and under “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017, and our financial statements and related notes, as well as any updates thereto contained in subsequent filings with the SEC or any free writing prospectus. If any of the events anticipated by these risks and uncertainties occur, our business, financial condition and results of operations could be materially and adversely affected, and the value of our securities could decline. The risks and uncertainties we discuss in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus are those that we currently believe may materially affect our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may materially and adversely affect our business, financial condition and results of operations.

Risks Related to Our Business

Our debt level could negatively impact our financial condition, results of operations and business prospects.

As of September 29, 2018, after giving effect for the Debt Exchange, on a pro forma basis, our total gross debt payable amount to approximately $56,966,000. Our level of debt could have significant consequences to our stockholders, including the following:

- requiring the dedication of a substantial portion of cash flow from operations to make payments on debt, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities;
- requiring a substantial portion of our corporate cash reserves to be held as a reserve for debt service, limiting our ability to invest in new growth opportunities;
- limiting the ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities;
- limiting the flexibility in planning for, or reacting to, changes in the business and industry in which we operate;
- increasing our vulnerability to both general and industry-specific adverse economic conditions;
- putting us at a competitive disadvantage vs. less leveraged competitors; and
- increasing vulnerability to changes in the prevailing interest rates.

Our ability to make payments of principal and interest, or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors. Our business is not currently generating positive cash flow and may not generate cash flow in the future sufficient to service our debt because of factors beyond our control, including but not limited to our ability to expand our operations. If we are unable to generate sufficient cash flows, we may be required to adopt one or more alternatives, such as restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Risks Related to this Offering

Since we have broad discretion in how we use the proceeds from this offering, we may use the proceeds in ways with which you disagree.

We intend to use the net proceeds from this offering for working capital and general corporate purposes. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used in ways you would agree with. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for our company. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flow.

You will experience immediate and substantial dilution if you purchase securities in this offering.

As of September 29, 2018, our net tangible book value was approximately $(62,524,000), or $(12.50) per share. Since the effective price per share of our common stock being offered in this offering is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution with respect to the net tangible book value of the common stock you purchase in this offering. If you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of $13.50 per share with respect to the net tangible book value of the common stock. See the section entitled "Dilution" for a more detailed discussion of the dilution you will incur if you purchase securities in this offering.

There may be future sales of our securities or other dilution of our equity, which may adversely affect the market price of our common stock.

We are generally not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The market price common stock could decline as a result of sales of common stock or securities that are convertible into or exchangeable for, or that represent the right to receive, common stock after this offering or the perception that such sales could occur.

Future sales of our common stock may cause the prevailing market price of our shares to decrease.

As of January 22, 2019, we had outstanding 5,331,668 shares of common stock. In addition, as of that date we had outstanding warrants to acquire 925,934 shares of common stock, options to acquire 111,400 shares of common stock, shares of convertible preferred stock convertible into an aggregate of 43,239 shares of common stock, and 577,372 shares of common stock issuable upon the vesting of unvested restricted stock awards. In addition, 43,239 shares of common stock are issuable upon potential conversion of Series A Preferred Stock, 7,303,371 shares of common stock are issuable upon potential conversion of Series E Preferred Stock, and 294,578 shares of common stock are issuable upon potential conversion of 489 shares of Series E-1 Preferred Stock, based on the number of each series of preferred stock outstanding as of January 22, 2019. Up to 3,621,085 additional shares of common stock are issuable upon potential conversion of shares of Series E-1 Preferred Stock issuable as dividend payable to the holders of the Series E Preferred Stock, based on 6,500 shares of preferred stock designated as Series E-1 Preferred Stock pursuant to the Certificate of Designation of Series E Preferred Stock. The issuance of shares of common stock upon the exercise of warrants or options or conversion of preferred stock would dilute the percentage ownership interest of all stockholders, might dilute the book value per share of our common stock and would increase the number of our publicly traded shares, which could depress the market price of our common stock. The perceived risk of dilution as a result of the significant number of outstanding warrants, options and shares of convertible preferred stock may cause our common stockholders to be more inclined to sell their shares, which would contribute to a downward movement in the price of our common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our common stock price could encourage investors to engage in short sales of our common stock, which could further contribute to price declines in our common stock. The fact that our stockholders, warrant holders and option holders can sell substantial amounts of our common stock in the public market, whether or not sales have occurred or are occurring, could make it more difficult for us to raise additional funds through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate, or at all.

Even if this offering is successful, we may need to raise additional capital in the future to continue operations, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We have had recurring losses from operations, negative operating cash flow and an accumulated deficit. We must raise additional funds in order to continue operating our business. If additional capital is not available to us when needed or on acceptable terms, we may not be able to continue to operate our business pursuant to our business plan or we may have to discontinue our operations entirely. As of September 29, 2018, we had cash and cash equivalents of $2,824,000 and currently anticipate that our existing resources, together with the expected net proceeds from this offering, will be sufficient to fund our planned operations through the foreseeable future; however, we cannot provide assurances that our plans will not change or that changed circumstances will not result in the depletion of our capital resources more rapidly than we currently anticipate. As such, in order for us to pursue our business objectives, we may need to raise additional capital, which additional capital may not be available on reasonable terms or at all. Any additional capital raised through the sale of equity or equity-backed securities may dilute our stockholders' ownership percentages and could also result in a decrease in the market value of our equity securities. The terms of any securities issued by us in future capital transactions may be more favorable to new investors, and may include preferences, superior voting rights and the issuance of warrants or other derivative securities, which may have a further dilutive effect on the holders of any of our securities then outstanding.

If we are unable to secure additional funds when needed or on acceptable terms, we may be required to defer, reduce or eliminate significant planned expenditures, restructure, curtail or eliminate some or all of our operations, dispose of technology or assets, pursue an acquisition of our company by a third party at a price that may result in a loss on investment for our stockholders, file for bankruptcy or cease operations altogether. Any of these events could have a material adverse effect on our business, financial condition and results of operations. Moreover, if we are unable to obtain additional funds on a timely basis, there will be substantial doubt about our ability to continue as a going concern and increased risk of insolvency and up to a total loss of investment by our stockholders.

The market price of our common stock is subject to fluctuation and has been and may continue to be volatile, which could result in substantial losses for investors.

The market price of our common stock has been and is likely to continue to be highly volatile and could fluctuate widely in response to various factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in financial or operational estimates or projections;
- conditions in markets generally;
- changes in the economic performance or market valuations of companies similar to ours; and
- general economic or political conditions in the United States or elsewhere.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also significantly affect the market prices of our common stock.

We do not intend to pay dividends on our common stock. Consequently, your ability to achieve a return on your investment will depend on the appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings, if any, for the development, operation, and expansion of our business, and we do not anticipate declaring or paying any cash dividends on our common stock for the foreseeable future. Any return to holders of our common stock would therefore be limited to the appreciation of their stock.

We are limited in our ability to pay dividends by certain of our existing agreements, including our credit facility with MidCap Financial Services LLC and our secured note agreement with Jackson, each of which restrict the payment of certain cash dividends without prior written consent. In addition, so long as any shares of Series E Preferred Stock or

Series E-1 Preferred Stock are outstanding, as they are at this time, we are not able to declare, pay or set apart for payment any dividend on any capital stock of the company, including the common stock, unless at the time of such dividend we have paid all accrued and unpaid dividends on the outstanding shares of Series E Preferred Stock or Series E-1 Preferred Stock. Furthermore, so long as any shares of Series A Preferred Stock are outstanding, as they are at this time, we are not able to declare, pay or set apart for payment any dividend on any shares of common stock, unless at the time of such dividend we have paid all accrued and unpaid dividends on the outstanding shares of Series A Preferred Stock. Therefore, we cannot be certain if we will pay any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, and the information incorporated by reference herein and therein may include "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Our use of the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "seeks," "intends," "evaluates," "pursue "continues," "designs," "impacts," "forecasts," "target," "outlook," "initiative," "objective," "designed," "priorities," "goal" or those words or other similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. All statements included or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, and in related comments by our management, other than statements of historical facts, including without limitation, statements about future events or financial performance, are forward-looking statements that involve certain risks and uncertainties.

These statements are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors that we believe are appropriate in the circumstances. While these statements represent our judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. Whether actual future results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including the risks and uncertainties discussed in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein under the captions "Risk Factors" and "Forward-Looking Statements" and elsewhere in those documents.

Consequently, all of the forward-looking statements made in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, as well as all of the forward-looking statements incorporated by reference to our filings under the Exchange Act, are qualified by these cautionary statements and there can be no assurance that the actual results or developments that we anticipate will be realized or, even if realized, that they will have the expected consequences to or effects on us and our subsidiaries or our businesses or operations. We caution investors not to place undue reliance on forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other such factors that affect the subject of these statements, except where we are expressly required to do so by law.

USE OF PROCEEDS

We estimate that the net proceeds received by us from this offering, after deducting placement agent fees and expenses and other estimated offering expenses payable by us, will be approximately $525,000 if all the shares of common stock offered are sold.

We intend to use the net proceeds from this offering to fund working capital and other general corporate purposes.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions, and our management will retain broad discretion as to the ultimate allocation of the proceeds. Pending application of the net proceeds as described above, we intend to invest the net proceeds to us from this offering in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

INFORMATION REGARDING THE MARKET IN OUR COMMON STOCK

Our common stock is listed on the Nasdaq Capital Market under the symbol "STAF." On January 22, 2019, the closing price for our common stock as reported on the Nasdaq Capital Market was $2.50 per share.

Dividend policy

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings, if any, for the development, operation, and expansion of our business, and we do not anticipate declaring or paying any cash dividends on our common stock for the foreseeable future. Any return to holders of our common stock would therefore be limited to the appreciation of their stock.

We are limited in our ability to pay dividends by certain of our existing agreements. In addition, so long as any shares of Series E Preferred Stock or Series E-1 Preferred Stock are outstanding, as they are at this time, we are not able to declare, pay or set apart for payment any dividend on any capital stock of the company, including the common stock, unless at the time of such dividend we have paid all accrued and unpaid dividends on the outstanding shares of Series E Preferred Stock or Series E-1 Preferred Stock. Furthermore, so long as any shares of Series A Preferred Stock are outstanding, as they are at this time, we are not able to declare, pay or set apart for payment any dividend on any shares of common stock, unless at the time of such dividend we have paid all accrued and unpaid dividends on the outstanding shares of Series A Preferred Stock. Therefore, we cannot be certain if we will pay any dividends to holders of our common stock in the foreseeable future.

DILUTION

Our historical net tangible book value as of September 29, 2018 was approximately $(62,524,000), or $(12.50) per share of common stock. Our historical net tangible book value is the amount of our total tangible assets less our liabilities. Historical net tangible book value per common share is our historical net tangible book value divided by the number of shares of common stock outstanding as of September 29, 2018.

After giving effect to the sale of 387,500 shares of our common stock offered by this prospectus supplement at the offering price of $2.00 per share, and after deducting placement agent fees and estimated offering expenses payable by us, our as adjusted net tangible book value as of September 29, 2018 would have been approximately $(61,999,000), or $(11.50) per share of common stock. This represents an immediate increase in as adjusted net tangible book value of $0.10 per share to our existing stockholders, and an immediate dilution of $13.50 per share to new investors purchasing our common stock in this offering at the offering price.

The following table illustrates this dilution on a per share basis:

Offering price per share		$2.00
Historical net tangible book value per share as of September 29, 2018	$ (12.50)	
Pro forma increase in net tangible book value per share attributable to investors in this offering	$0.10	
As adjusted net tangible book value per share after this offering		$ (11.50)
Dilution per share to investors participating in this offering		$13.50

The foregoing discussion and table does not take into account further dilution to investors in this offering that could occur upon the exercise of outstanding options and warrants or the conversion of outstanding shares of preferred stock having a per share exercise price or a per share conversion price, as applicable, less than the offering price per share in this offering.

The number of shares of our common stock to be outstanding immediately after the closing of this offering is based on 5,003,144 shares of common stock outstanding as of September 29, 2018 and excludes, as of that date:

- 125,400 shares of common stock issuable upon the exercise of stock options;
- 123,515 shares of common stock available for future grants under our long-term incentive plan;
- 43,239 shares of common stock issuable upon potential conversion of Series A Preferred Stock;
- 7,303,371 shares of common stock issuable upon potential conversion of Series E Preferred Stock, issued on November 15, 2018, based on 13,000 shares of Series E Preferred Stock outstanding as of January 22, 2019;
- 294,578 shares of common stock issuable upon potential conversion of Series E-1 Preferred Stock issued as dividend to the holders of the Series E Preferred Stock, based on 489 shares of Series E-1 Preferred Stock outstanding as of January 22, 2019;
- up to 3,621,085 additional shares of common stock issuable upon potential conversion of shares of Series E-1 Preferred Stock issuable as dividend payable to the holders of the Series E Preferred Stock after November 15, 2018, based on 6,500 shares of preferred stock designated as Series E-1 Preferred Stock pursuant to the Certificate of Designation of Series E Preferred Stock filed on November 15, 2018;
- 925,935 shares of common stock issuable upon exercise of warrants outstanding prior to this offering; and
- 595,272 shares of common stock issuable upon the vesting of unvested restricted stock awards.

To the extent that outstanding options, warrants or convertible preferred stock have been or may be exercised or other shares issued, investors purchasing common stock in this offering may experience further dilution. In addition, we may seek to raise additional capital in the future through the sale of equity or convertible debt securities. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

PLAN OF DISTRIBUTION

ThinkEquity, a division of Fordham Financial Management, Inc., which we refer to as the placement agent, has agreed to act as the placement agent in connection with this offering subject to the terms and conditions of a placement agency agreement dated as of January 22, 2019. The placement agent is not purchasing or selling any securities offered by this prospectus supplement, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities, but it has agreed to use its good faith, best efforts to arrange for the sale of all of the securities offered hereby.

The placement agent proposes to arrange for the sale to one or more purchasers of the securities offered pursuant to this prospectus supplement through orders by the purchasers. Payment for securities by certain purchasers to purchase 387,500 shares of common stock will be made directly to the issuer. Upon closing, we will deliver to each investor that delivers funds, the number of shares of common stock purchased by such investor.

We negotiated the price for the securities offered in this offering with the purchasers. The factors considered in determining the price included the recent market price of our common stock, the general condition of the securities market at the time of this offering, the history of, and the prospects for, the industry in which we compete, our past and present operations, and our prospects for future revenues.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any fees or commissions received by it and any profit realized on the resale of securities sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, the placement agent is required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock by the placement agent. Under these rules and regulations, the placement agent:

- may not engage in any stabilization activity in connection with our securities; and
- may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

From time to time in the ordinary course of their respective businesses, the placement agent or its affiliates have in the past or may in the future engage in investment banking and/or other services with us and our affiliates for which it has or may in the future receive customary fees and expenses.

We also agreed to indemnify the purchasers against certain losses resulting from our breach of any of our representations, warranties, or covenants under agreements with the purchasers as well as under certain other circumstances described in the securities purchase agreement.

We have agreed to pay the placement agent upon the closing of this offering a cash fee equal to 8% of the aggregate purchase price paid by investors placed by the placement agent. In addition to the cash fee, we have agreed to reimburse the placement agent up to $12,500 of their out-of-pocket expenses incurred in connection with this offering.

We have agreed to indemnify the placement agent and certain other persons against certain liabilities, including liabilities under the Securities Act.

After deducting fees due to the placement agent and our estimated offering expenses, we expect the net proceeds from this offering to be approximately $525,000.

Delivery of shares of common stock issued and sold in this offering and payment for the shares is expected to occur on or about January 25, 2019.

LEGAL MATTERS

The validity of the securities offered by this prospectus supplement and the accompanying prospectus will be passed upon by Haynes and Boone, LLP, New York, New York. Pryor Cashman LLP, New York, New York, is counsel to the placement agent.

EXPERTS

RBSM LLP, an independent registered public accounting firm, has audited our consolidated financial statements for the transition period ended December 31, 2016 and for the fiscal year ended May 31, 2016 included in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017, as set forth in their report, which is incorporated herein by reference.

BDO USA, LLP an independent registered public accounting firm, has audited our consolidated financial statements for the fiscal year ended December 30, 2017 included in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017, as set forth in their report, which is incorporated herein by reference. Our consolidated financial statements are incorporated by reference in reliance on the reports of BDO USA, LLP and RBSM LLP, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act, of which this prospectus supplement forms a part. The rules and regulations of the SEC allow us to omit from this prospectus supplement and the accompanying prospectus certain information included in the registration statement. For further information about us and the securities we are offering under this prospectus supplement, you should refer to the registration statement and the exhibits and schedules filed with the registration statement. With respect to the statements contained in this prospectus supplement and the accompanying prospectus regarding the contents of any agreement or any other document, in each instance, the statement is qualified in all respects by the complete text of the agreement or document, a copy of which has been filed as an exhibit to the registration statement.

We are subject to the information and periodic reporting requirements of the Exchange Act, and we file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information we file electronically with the SEC are available over the Internet without charge at the SEC’s web site at http://www.sec.gov. We maintain a website at www.staffing360solutions.com. You may also access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference in, and is not part of, this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to “incorporate by reference” information from other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. A statement contained in a document incorporated by reference into this prospectus supplement and the accompanying prospectus shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement, the accompanying prospectus, or in any other subsequently filed document which is also incorporated in this prospectus supplement and the accompanying prospectus modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus. Information contained in this prospectus supplement and the accompanying prospectus, and information that we file with the SEC in the future and incorporate by reference in this prospectus supplement and the accompanying prospectus, will automatically update and supersede this information.

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below, any future documents we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and until the completion or termination of this offering (in each case, except for the information in any Current Report on Form 8-K furnished and not filed, such as information furnished under Item 2.02 or Item 7.01 thereof):

- Our Annual Report on Form 10-K for the year ended December 30, 2017, filed with the SEC on March 29, 2018;
- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 (as amended) and September 30, 2018, filed with the SEC on May 14, 2018, August 14, 2018 and November 13, 2018, respectively;
- The description of our common stock contained in our Registration Statement on Form 8-A filed on September 28, 2015 together with any amendments thereto; and
- Our Current Reports on Form 8-K, filed with the SEC on January 3, 2018, January 22, 2018, February 13, 2018, March 14, 2018, March 27, 2018 (excluding information furnished pursuant to Item 2.02), March 29, 2018 (three reports, excluding information furnished pursuant to Item 2.02), April 9, 2018, April 23, 2018 (excluding information furnished pursuant to Item 2.02), May 10, 2018 (excluding information furnished pursuant to Item 2.02), May 14, 2018 (excluding information furnished pursuant to Item 2.02), June 1, 2018, July 5, 2018, August 13, 2018,August 17, 2018, August 22, 2018, August 28, 2018 (as amended by Amendment No. 1 on Form 8-K/A, filed on November 2, 2018), November 15, 2018, and November 28, 2018.

We will provide to each person, including any beneficial owners, to whom a prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated herein by reference. We will provide these reports or documents upon written or oral request at no cost to the requester. You should direct any written requests for documents to Staffing 360 Solutions, Inc., Attn: Chief Financial Officer, 641 Lexington Ave., 27th Floor, New York, New York 10022. You may also telephone us at (646) 507-5710.

You may also access the documents incorporated herein by reference through our website at www.staffing360solutions.com. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in this prospectus supplement or the accompanying prospectus.

PROSPECTUS

STAFFING 360 SOLUTIONS, INC.

$25,000,000

Debt Securities

Preferred Stock

Common Stock

Warrants

Rights

7,194,406 Shares of Common Stock

Offered by Selling Stockholders

This prospectus contains summaries of the general terms of the securities. We may offer and sell, from time to time, any combination of debt and equity securities that we describe in this prospectus having an initial aggregate offering price not exceeding $25,000,000.

In addition, the selling stockholders set forth in this prospectus under the heading “Selling Stockholders” beginning on page 3 may offer, from time to time and in one or more offerings, up to an aggregate of 7,194,406 shares of our common stock, referred to as “resale shares,” in amounts, at prices and on terms determined solely by the selling stockholders.

We and the selling stockholders may offer the securities directly to investors, through agents designated from time to time by the selling stockholders or us, or to or through underwriters or dealers. If any agents, underwriters, or dealers are involved in the sale of any of the securities, their names, and any applicable purchase price, fee, commission or discount arrangement with, between or among them, will be set forth, or will be calculable from the information set forth, in a prospectus supplement.

Each time we or, if required, the selling stockholders offer securities, we will provide a prospectus supplement and attach it to this prospectus. The prospectus supplement will contain more specific information about the securities and the offering. This prospectus may not be used by us to offer or sell securities without a prospectus supplement describing the terms of the offering.

We will not receive any proceeds from the sale of resale shares covered by this prospectus, but we will receive proceeds from the sale of the other securities described in this prospectus. We are bearing all of the expenses in connection with this offering, but all selling and other expenses incurred by the selling stockholders, including commissions and discounts, if any, attributable to the sale or disposition of resale shares, will be borne by the selling stockholders.

Our common stock is listed on the NASDAQ Capital Market under the symbol “STAF.”

You should carefully read this prospectus and the accompanying prospectus supplement, together with the documents we incorporate by reference, before you invest in any of the securities.

Investment in any of the securities involves risk. See “Risk Factors” contained in this prospectus, in our periodic reports filed from time to time with the Securities and Exchange Commission and in the accompanying prospectus supplement.

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

The date of this prospectus is March 23, 2016

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission ("SEC") utilizing a "shelf" registration process. Under this shelf process, securities described in this prospectus may be sold by us in one or more offerings. We may use the shelf registration statement to sell, in one or more offerings, up to $25,000,000 of any securities registered, in any combination in an offering amount. This prospectus provides you with a general description of the securities that may be offered. Each time securities are sold by us or, if required, the selling stockholders pursuant to the registration statement of which this prospectus forms a part, we will provide a prospectus supplement that will contain specific information about the terms of those securities and that offering. The prospectus supplement may also add to, update or change the information contained in this prospectus. You should carefully read this prospectus and any accompanying prospectus supplement, along with all of the information incorporated by reference herein and therein, before making an investment decision.

In this prospectus, unless the context indicates otherwise, "Staffing 360," the "Company," "we," "us," "our," or "ours" refer to Staffing 360 Solutions, Inc. and its consolidated subsidiaries.

We have not authorized anyone to provide any information other than that contained in this prospectus, in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We do not take responsibility for, and we do not provide any assurance as to the reliability of, any other information that others may give you. We have not authorized any other person to provide you with different information. No offer is being made to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, in the accompanying prospectus supplement, in any document incorporated by reference herein or therein, and in any free writing prospectus prepared by or on behalf of us to which we have referred you is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since that date.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information about us by referring you to another document filed separately with the SEC. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. This prospectus incorporates by reference the documents and reports listed below and any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than filings or portions of filings that are furnished under applicable SEC rules rather than filed) until the date of completion of this offering:

Staffing 360 SEC Filings	Period
Annual Report on Form 10-K	Year ended May 31, 2015 (filed with the SEC on July 31, 2015)
Quarterly Reports on Form 10-Q	Quarterly period ended August 31, 2015 (filed with the SEC on October 15, 2015); Quarterly period ended November 30, 2015 (filed with the SEC on January 14, 2016)

Current Reports filed on Form 8-K	Dates filed: September 4, 2015, September 15, 2015, September 17, 2015, September 28, 2015, November 5, 2015, November 10, 2015, December 31, 2015 and February 11, 2016

The description of our capital stock set forth in our registration statement on Form 8-A filed September 28, 2015.

You may request a copy of the documents incorporated by reference into this prospectus, except exhibits to such documents unless those exhibits are specifically incorporated by reference in such documents, at no cost, by writing or telephoning us at the following address and telephone number:

Staffing 360 Solutions, Inc.

641 Lexington Avenue, Suite 1526

New York, New York 10022

Attention: Chief Executive Officer

(212) 634-6462

You may also find additional information about us, including the documents mentioned above, on our website at http://www.staffing360solutions.com. Our website and the information included in, or linked to on, our website are not part of this prospectus. We have included our website address in this prospectus solely as a textual reference.

RISK FACTORS

Investment in any of the securities involves risk. In addition to the risk factor below and all of the other information contained or incorporated by reference into this prospectus, you should carefully consider the risk factors contained or incorporated by reference in the accompanying prospectus supplement before acquiring any of the securities.

The substantial number of shares that are eligible for sale could cause the market price for our common stock to decline or make it difficult for us to sell securities in the future.

Expectations that shares of our common stock may be sold by the selling stockholders could create a market overhang that may adversely affect the market price for our common stock.

We cannot predict the effect on the market price of our common stock from time to time as a result of (i) sales by the selling stockholders of some or all of the shares of our common stock under this prospectus, (ii) the availability of such shares of common stock for sale by the selling stockholders, or (iii) the perception that such shares or additional shares of our common stock may be offered for sale by the selling stockholders. Sales of substantial amounts of shares of our common stock in the public market, or the perception that those sales will occur, could cause the market price of our common stock to fluctuate or decline or make future offerings of our equity securities more difficult. In addition, the sale of these shares could impair our ability to raise capital, should we wish to do so, through the sale of additional common or preferred stock.

There are 4,931,669 shares of our common stock outstanding as of February 18, 2016 (without giving effect to the exercise of any options and warrants currently outstanding). The 7,194,406 shares of our common stock that may be sold by the selling stockholders under this prospectus represent a substantial additional number of shares of our common stock that would be outstanding after this offering is completed.

STAFFING 360 SOLUTIONS, INC.

Business overview

Staffing 360 Solutions, Inc., was incorporated in the State of Nevada on December 22, 2009, as Golden Fork Corporation, which changed its name to Staffing 360 Solutions, Inc., trading symbol “STAF”, on March 16, 2012. On July 31, 2012, we commenced operations in the staffing sector. As a rapidly growing public company in the international staffing sector, our high-growth business model is based on finding and acquiring suitable, mature, profitable, operating, domestic and international staffing companies. Our targeted consolidation model is focused specifically on the accounting and finance, information technology (“IT”), engineering, administration and light industrial sectors.

Corporate information

We are a Nevada corporation. Our principal executive office is located at 641 Lexington Avenue, Suite 1526, New York, New York 10022, and our telephone number is (212) 634-6462. Our website is www.staffing360solutions.com, and the information included in, or linked to on, our website are not part of this prospectus. We have included our website address in this prospectus solely as a textual reference.

All trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents the ratio of our earnings to fixed charges for the periods indicated:

	Fiscal Year Ended May 31, 2011	2012	2013	2014	2015	Three Months Ended November 30, 2015	Six Months Ended November 30, 2015
Ratio of earnings available to cover fixed charges	N/A(a)	(79.47)(a)	(2.37)(a)	(3.64)(a)	(1.09)(a)	(1.21)(a)	(0.97)(a)

(a) In calculating the ratio of earnings available to cover fixed charges, "earnings" consist of pre-tax income (loss) excluding fixed charges and fixed charges consist of interest expense and amortized premiums, discounts and capitalized expenses related to indebtedness. For the fiscal years ended May 31, 2011, 2012, 2013, 2014 and 2015 and for the three and six months ended November 30, 2015, our pre-tax earnings (losses) were ($12,550), ($241,838), ($2,393,700), ($9,930,630), ($9,142,640), ($1,739,990) and ($2,403,231) respectively, and were insufficient to cover fixed charges for those periods.

SELLING STOCKHOLDERS

The following table sets forth information as of the date of this prospectus, to our knowledge, about the ownership of our common stock by the selling stockholders both before and immediately after the offering.

All of the selling stockholders received their securities in private placements undertaken by us which were closed prior to the initial filing date of the registration statement of which this prospectus is a part. The selling stockholders obtained their shares in various private placements, including but not limited to: 1) the February 2012 purchase by TRIG Special Purpose 1, LLC of 600,000 shares of our common stock, 2) the Company's sale of $1,175,000 principal amount of 2012 promissory notes that were subsequently converted into 278,137 shares of common stock, 3) the Company's April and June 2013 private investment in public equity (or PIPEs) placement of 179,446 shares of common stock and 89,729 warrants with an exercise price $18.00, 4) the Company's April 2013 acquisition of The Revolution Group, Ltd. (name later changed to Cyber 360 Solutions, Inc.) that resulted in the issuance of 51,257 shares of common stock, 5) the Company's November 2013 acquisition of Control Solutions International, Inc. that resulted in the issuance of 13,600 shares, 6) the Company's December 2013 bridge financing in the aggregate principal amount of $1,655,000 that later converted into 252,760 shares and 86,362 warrants at an exercise price of $20.00, 7) the Company's January 2014 acquisition of Initio International Holdings Limited that resulted in the issuance of 329,670 shares, 8) the Company's March 2014 PIPE that resulted in the issuance of 1,000,000 shares and 500,000 warrants at an exercise price of $20.00, 9) the Company's April 2014 Series A Bonds placement that resulted in the issuance of 406,254 shares and 185,510 warrants at an exercise price of $20.00, 10) the Company's May 2014 acquisitions of PeopleSERVE, Inc. and PeopleSERVE PRS, Inc. that resulted in the issuance of 112,737 shares of common stock, 11) the Company's December 2014 Series B Bonds placement that resulted in the issuance of 9,815 shares of common stock, 12) the Company's December 2014 conversion of Initio promissory notes into 335,839 shares of common stock and 369,427 warrants at an exercise price of $12.50, 13) the Company's February 2015 sale of Cyber 360 Solution, Inc. and related elimination of remaining earn-out obligations in exchange for 113,405 shares of common stock, 14) the Company's April 2015 credit facility and term loan that resulted in the issuance of 12,000 warrants at an exercise price of $12.50, as well as the subsequent issuance of 25,000 shares in relation to a subsequent advance and amendment in February 2016, 15) the Company's short term promissory notes in April and May 2015 that later converted into 40,792 shares of common stock, 16) the Company's July 2015 financing that resulted in the issuance of 125,000 shares of common stock, 17) the Company's July 2015 acquisition of Lighthouse Placement Services, LLC that resulted in the issuance of 62,460 shares of common stock, 18) the Company's November 2015 acquisition of The JM Group

Limited that resulted in the issuance of 40,000 shares of common stock. In addition, there were 166,675 shares issued to consultants, 146,291 shares issued to board members, 169,140 shares issued to employees, 27,500 shares issued in connection with settlement agreements, and 61,058 shares plus 33,032 warrants issued to private placement agents with exercise prices ranging from $11.00 to $20.00. Lastly, shares underlying potential promissory note conversions totaling 1,031,389 in common stock, shares underlying Series A Preferred Shares totaling 216,192 in common stock, and shares underlying Series B Preferred Shares totaling 113,000 in common stock are reflected in the below table.

The selling stockholders have sole voting and investment power with respect to all of the shares of common stock owned by them unless otherwise indicated. The percent of ownership for the selling stockholders is based on 4,931,669 shares of common stock outstanding as of February 18, 2016 (without giving effect to the exercise of any options and warrants currently outstanding).

We will pay the fees and the expenses incurred in effecting the registration of the securities covered by this prospectus, including, without limitation, all registration and filing fees, fees and expenses of our counsel and accountants. The selling stockholders will pay any underwriting or broker discounts and commissions incurred by the selling stockholders in selling their common stock.

Name of Selling Shareholder	Shares Owned Prior to the Offering		Number of Shares underlying Warrants	Number of Shares underlying Promissory Notes and / or Preferred Stock	Shares Included in this Prospectus	Shares Owned After the Offering	
	Number	Percent				Number	Percent
Aaron and Cie Scott JTWROS	2,894	* %	1,322	-	4,216	-	* %
Aaron P. Brodt	27,240	* %	1,294	-	28,534	-	* %
Aaron Stevens	4,353	* %	-	-	4,353	-	* %
Adam Fishman	2,500	* %	1,250	-	3,750	-	* %
Adam Sellens	23,240	* %	-	-	23,240	-	* %
Aeon Holdings, LLC (1)	6,000	* %	-	-	6,000	-	* %
Aeon Multi-Opportunity Fund I (2)	900	* %	-	-	900	-	* %
Alexander Capital LLP (3)	-	* %	30,087	-	30,087	-	* %
Alexander Foster	4,872	* %	-	-	4,872	-	* %
Alison and David Fogel	-	* %	-	414,236	414,236	-	* %
Alison Fogel	31,955	* %	-	-	31,955	-	* %
Alrecht Bernard Heyer	10	* %	-	-	10	-	* %
Alternative Advisory Group, LLC (4)	18,000	* %	-	-	18,000	-	* %
Andrew Cook	10	* %	-	-	10	-	* %
Andrew John Parrington	10	* %	-	-	10	-	* %
Andrew Lineker	10	* %	-	-	10	-	* %
Angela McKie	5,000	* %	2,500	-	7,500	-	* %
Anthony Maritz	10	* %	-	-	10	-	* %
Anthony Nitsos	2,431	* %	-	-	2,431	-	* %
Arshiya Nizar Lokhandwala	250	* %	-	2,123	2,373	-	* %
Awesome Restaurant Excursions, LLC (5)	17,500	* %	-	-	17,500	-	* %

Barbara Lubsen IRA RBC Capital Markets LLC Cust	2,500	*	%	-	-	2,500	-	*	%
Barry T. Cervantes	19,717	*	%	-	-	19,717	-	*	%
Belinda Anne Beckley	10	*	%	-	-	10	-	*	%
Bernard Alexander Heyer	10	*	%	-	-	10	-	*	%
Berta I Tisovic IRA RBC Capital Markets LLC Cust	10,000	*	%	-	-	10,000	-	*	%
Blake Survivors Trust (6)	21,688	*	%	9,382	-	31,070	-	*	%
Boston Chauthani	10,000	*	%	-	-	10,000	-	*	%
Bowers Survivors Trust (7)	2,500	*	%	1,250	-	3,750	-	*	%
Brandhouse Ventures, Inc. (8)	604	*	%	-	-	604	-	*	%
Brendan Flood	390,786	7.92	%	208,008	135,120	733,914	-	*	%
Brett K Giarratano	3,474	*	%	1,587	-	5,061	-	*	%
Brooke E Miller Living Trust (9)	2,315	*	%	1,058	-	3,373	-	*	%
Bruce E Tidwell	2,895	*	%	1,323	-	4,218	-	*	%
Bruce H Ward	2,306	*	%	1,053	-	3,359	-	*	%
Byzantine Productions, Inc. (10)	31,500	*	%	-	-	31,500	-	*	%
Carl H. Parker IRA RBC Capital Markets LLC Cust	10,000	*	%	-	-	10,000	-	*	%
Carl L Smith & Carol A Rhea	10,843	*	%	4,673	-	15,516	-	*	%
CGER LLLP (11)	5,000	*	%	2,500	-	7,500	-	*	%

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Charles Cooper	4,534	* %	-	-	4,534	-	* %
Charles J. Schwahn	5,000	* %	2,500	-	7,500	-	* %
Chris Bowman	53,190	1.08 %	-	-	53,190	-	* %
Christopher Bowman and Barbara Bowman	12,948	* %	5,224	-	18,172	-	* %
Citrin Cooperman & Company LLP (12)	43,971	* %	-	-	43,971	-	* %
Clark Morzelewski	163	* %	-	-	163	-	* %
CLKK LLLP (13)	5,000	* %	2,500	-	7,500	-	* %
Clyde J. Clifford	5,556	* %	2,778	-	8,334	-	* %
Coral Lana Soar	10	* %	-	-	10	-	* %
Corey A. Elkins	9,743	* %	-	-	9,743	-	* %
Cynthia F. Taren	10,000	* %	5,000	-	15,000	-	* %
Dacona Financial LLC (14)	30,000	* %	-	-	30,000	-	* %
Dane Angus Tunnah	10	* %	-	-	10	-	* %
Daniel & Su Fung Zau Family Trust (15)	7,000	* %	3,500	-	10,500	-	* %
Daniel Lewis	1,602	* %	-	-	1,602	-	* %
Daniel P LaGuardia	2,500	* %	1,250	-	3,750	-	* %
Daniel T. York	175	* %	-	511	686	-	* %
Daniel W. Armstrong	250	* %	-	2,123	2,373	-	* %
Darlene Messina / Marco Messina	1,765	* %	-	2,564	4,329	-	* %
Darrell Williams	8,464	* %	-	-	8,464	-	* %
Darren C. Minton	41,100	* %	-	-	41,100	-	* %
Darren Carroll	3,800	* %	2,133	-	5,933	-	* %
Darren T West / Claudia A West	1,736	* %	793	-	2,529	-	* %
Darwin Investments LLC (16)	50	* %	-	-	50	-	* %
Dave Humphrey	1,558	* %	-	-	1,558	-	* %
David A. Paison	2,778	* %	1,389	-	4,167	-	* %
David Fogel	30,706	* %	-	-	30,706	-	* %
David Gobelle IRA RBC Capital Markets LLC Cust	2,500	* %	-	-	2,500	-	* %
David L. Eaton	250	* %	-	-	250	-	* %

(continued)

Name of Selling Shareholder	Shares Owned Prior to the Offering		Number of Shares underlying Warrants	Number of Shares underlying Promissory Notes and / or Preferred Stock	Shares Included in this Prospectus	Shares Owned After the Offering	
	Number	Percent				Number	Percent
David Martinez	5,885	* %	-	-	5,885	-	* %
Dawson James Securities (17)	18,220	* %	2,945	-	21,165	-	* %
Deane Novak IRA RBC Capital Markets LLC Cust	5,000	* %	-	-	5,000	-	* %

Dennis A Johnson IRA RBC Capital Markets LLC Cust	5,000	*	%	-	-	5,000	-	*	%
Dimitri Villard	20,750	*	%	-	-	20,750	-	*	%
Don Maclean	5,556	*	%	2,778	-	8,334	-	*	%
Donna K. Miller	2,500	*	%	1,250	-	3,750	-	*	%
Donna Parkinson IRA RBC Capital Markets LLC Cust	2,500	*	%	-	-	2,500	-	*	%
Doug Cwanek	5,556	*	%	2,778	-	8,334	-	*	%
Dr. Stephen Falk	12,300	*	%	-	-	12,300	-	*	%
Dwight Foster	2,436	*	%	-	-	2,436	-	*	%
Ellenoff Grossman & Schole LLP (18)	21,763	*	%	-	-	21,763	-	*	%
Elvira E Feliksa Trust (19)	5,780	*	%	2,640	-	8,420	-	*	%
Elvira Feliks Roth IRA RBC Capital Markets LLC Cust	4,000	*	%	-	-	4,000	-	*	%
Emerging Growth Corp (20)	2,500	*	%	-	-	2,500	-	*	%
Emilio Lontok & Benilda Lontok	4,000	*	%	2,000	-	6,000	-	*	%
Eric J Koppitsch IRA RBC Capital Markets LLC Cust	2,500	*	%	-	-	2,500	-	*	%
Eric Schwartz	13,064	*	%	7,474	-	20,538	-	*	%
Erick J Aybar	11,365	*	%	5,183	-	16,548	-	*	%

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Eugene T. Walsh & Julia P. Walsh Family Trust (21)	24,445	* %	9,723	-	34,168	-	* %
Fa Yun Monastery (22)	20,000	* %	10,000	-	30,000	-	* %
Faudskar Family Living Trust (23)	21,550	* %	9,152	-	30,702	-	* %
Fenton Family Living Trust (24)	11,582	* %	5,291	-	16,873	-	* %
Fmt Co Cust IRA FBO James D. Egan	2,500	* %	-	-	2,500	-	* %
Fox Trust (25)	12,259	* %	5,255	-	17,514	-	* %
Frank P. Valvo & Joyce Valvo JWTROS	2,500	* %	1,250	-	3,750	-	* %
Frederick Zobrist & Lylaine Zobrist	5,000	* %	2,500	-	7,500	-	* %
Frick Family Living Trust (26)	2,500	* %	1,250	-	3,750	-	* %
Gary Bryant	2,943	* %	-	-	2,943	-	* %
Gary J. and Marta T. McCall	2,778	* %	1,389	-	4,167	-	* %
Gary R Miehe Living Trust (27)	13,444	* %	5,222	-	18,666	-	* %
Genevieve R Schwahn	5,000	* %	2,500	-	7,500	-	* %
George W. Duncan	500	* %	-	4,244	4,744	-	* %
Gerhard Family Living Trust (28)	508	* %	-	-	508	-	* %
Gilbert Lerner	5,000	* %	2,500	-	7,500	-	* %
Glen & Barbara Conly Living Trust (29)	2,500	* %	1,250	-	3,750	-	* %
Gordon Muir	175	* %	-	-	175	-	* %
Grandview Capital Partners, Inc. (30)	170,000	3.45 %	-	-	170,000	-	* %
Greenleaf Chemical LLC DBPP (31)	2,500	* %	1,250	-	3,750	-	* %
Grisham Family Living Trust (32)	10,000	* %	5,000	-	15,000	-	* %
GTD Financial LLC (33)	307,861	6.24 %	151,431	-	459,292	-	* %
Hans Jordi RBC Capital Markets LLC Cust	3,000	* %	-	-	3,000	-	* %
Hartunian Family Rev. Trust (34)	17,500	* %	8,750	-	26,250	-	* %
Harvey And Renee Kesner	625	* %	-	2,551	3,176	-	* %
High and Tight Investments LP (35)	43,036	* %	20,519	-	63,555	-	* %
Hillair Capital Investments LP (36)	125,000	2.53 %	-	596,994	721,994	-	* %
Hillel Eberlin	10	* %	-	-	10	-	* %
Hirt Family Living Trust (37)	21,599	* %	10,300	-	31,899	-	* %
Howard Balduc IRA RBC Capital Markets LLC Cust	2,500	* %	-	-	2,500	-	* %
Jack and Zella Stone Trust (38)	5,000	* %	2,500	-	7,500	-	* %
Jake J. Raymond	1,000	* %	-	-	1,000	-	* %
James & Seiko Bates	1,029	* %	-	-	1,029	-	* %
James A & Gabriella Trusty Trust (39)	5,000	* %	2,500	-	7,500	-	* %
James A Beckstrom	5,965	* %	2,833	-	8,798	-	* %
James J Roberts Jr.	12,944	* %	5,222	-	18,166	-	* %
James M. Frager	2,778	* %	1,389	-	4,167	-	* %
James W. Logan	2,500	* %	1,250	-	3,750	-	* %
Janet Ross	2,881	* %	-	-	2,881	-	* %
Jean Anne Cozma	2,500	* %	-	-	2,500	-	* %
Jeanette Horvath & Linda M. Horvath	6,898	* %	3,324	-	10,222	-	* %
Jeff Grout	41,167	* %	-	-	41,167	-	* %
Jeff Mitchell	8,500	* %	-	-	8,500	-	* %
Jeffery P Arnold	5,000	* %	2,500	-	7,500	-	* %
Jeffrey J. Raymond Jr.	1,000	* %	-	-	1,000	-	* %

(continued)

Name of Selling Shareholder	Shares Owned Prior to the Offering		Number of Shares underlying Warrants	Number of Shares underlying Promissory Notes and / or Preferred Stock	Shares Included in this Prospectus	Shares Owned After the Offering	
	Number	Percent				Number	Percent
Jeffrey Quick	7,135	* %	-	-	7,135	-	* %
Jeffrey R. Stuart	10,946	* %	-	15,363	26,309	-	* %
Jeffrey Smith	2,161	* %	-	-	2,161	-	* %
Jill B Guttman	5,000	* %	2,500	-	7,500	-	* %
Jill Knuutila	1,000	* %	-	-	1,000	-	* %
Jim Eyberg	1,112	* %	556	-	1,668	-	* %
Joan Mcguirk IRA RBC Capital Markets LLC Cust	4,000	* %	-	-	4,000	-	* %

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Joel B Fishman Trust (40)	3,000	* %	1,500	-	4,500	-	*%
John A. Sanchez, CPA, LLC (41)	1,500	* %	-	-	1,500	-	*%
John Alessandro	-	* %	-	1,062	1,062	-	*%
John B Bessey & Linda C Bessey	2,500	* %	1,250	-	3,750	-	*%
John B Gerhard IRA RBC Capital Markets LLC Cust	5,000	* %	-	-	5,000	-	*%
John C Calhoun Bene IRA	250	* %	-	-	250	-	*%
John Fox	2,800	* %	-	-	2,800	-	*%
John N Alessandro	125	* %	-	-	125	-	*%
John R. Baleno	250	* %	-	2,123	2,373	-	*%
John Sarad	6,000	* %	3,000	-	9,000	-	*%
John Stampfer	9,000	* %	-	-	9,000	-	*%
Joseph Lucosky	5,835	* %	-	-	5,835	-	*%
Joseph N. Zizzi Revocable Trust (42)	2,500	* %	1,250	-	3,750	-	*%
Kate Hughes	13,872	* %	5,403	-	19,275	-	*%
Katherine Raymond	1,000	* %	-	-	1,000	-	*%
Keith M Colgate IRA RBC Capital Markets LLC Cust	5,000	* %	-	-	5,000	-	*%
Kenneth A Meyer Family Trust (43)	6,500	* %	3,250	-	9,750	-	*%
Kenneth L Roberts And Glenda K Roberts	17,566	* %	7,333	-	24,899	-	*%
Kenneth Meyer Bene Joyce Meyer Decd Roth	3,500	* %	-	-	3,500	-	*%
Kenneth N Ash & Teresa R Ash	2,500	* %	1,250	-	3,750	-	*%
Kenneth R Porcell / Carol J Tampa	5,787	* %	2,644	-	8,431	-	*%
Kent Mundon	1,625	* %	-	-	1,625	-	*%
Kermit M Zarley Jr	7,895	* %	3,823	-	11,718	-	*%
Kim Ward Eggleston Revocable Trust (44)	-	* %	1,389	-	1,389	-	*%
Kronshage Living Trust (45)	5,768	* %	2,634	-	8,402	-	*%
Lamour Riddle & Georgia Ann Riddle	5,000	* %	2,500	-	7,500	-	*%
Lance Alan Parker	5,000	* %	2,500	-	7,500	-	*%
Lawrence D Ray & Phyl A Ray Living Trust (46)	10,000	* %	5,000	-	15,000	-	*%
Leeann Devlall	10	* %	-	-	10	-	*%
Lenard Farrar III & Ann Farrar Rev Trust (47)	9,048	* %	4,349	-	13,397	-	*%
Lenora A. Paulson	10,780	* %	5,140	-	15,920	-	*%
Lester F Goldstein and Deanna C Goldstein	-	* %	1,582	-	1,582	-	*%
Levelogic, Inc. (48)	5,000	* %	-	-	5,000	-	*%
Liesel Van Heerden	10	* %	-	-	10	-	*%
Linda Moraski	112,837	2.29 %	-	-	112,837	-	*%
Linda Sue Carrier	617	* %	-	-	617	-	*%
Lindsay Altson Zaborowski	10	* %	-	-	10	-	*%
Loretta M Patala Decl of Trust (49)	7,500	* %	3,750	-	11,250	-	*%
Loretta S Balduc IRA RBC Capital Markets LLC Cust (50)	2,500	* %	-	-	2,500	-	*%
Lorine E Vogt Appointment Trust 45" FBO" William T Vogt Jr Trustee (51)	250	* %	-	-	250	-	*%
Louis & Rita Pitts Rev Liv Tru (52)	11,592	* %	5,296	-	16,888	-	*%
Louise Edwina Smith	11,448	* %	-	-	11,448	-	*%
Louise Lineker	10	* %	-	-	10	-	*%
Luna Ventures LLC (53)	64,098	1.30 %	10,000	-	74,098	-	*%
Marcus Moreno	1,628	* %	-	-	1,628	-	*%
Marcus Moreno and Patti Moreno JTWROS	6,101	* %	2,851	-	8,952	-	*%
Margherita Gesualdi	4,634	* %	-	-	4,634	-	*%
Mario Dell'Aera, Jr.	8,400	* %	-	-	8,400	-	*%
Mark & Troas Brownstein Family Trust (54)	2,888	* %	1,319	-	4,207	-	*%
Mark P. Aiello	25,701	* %	-	-	25,701	-	*%

Mark Newton	855	* %	-	-	855	-	*%
Mark P. Leone	500	* %	-	4,244	4,744	-	*%
Mark W. Deseran And Lisa D. Deseran Trustees Of The Deseran Revocable Trust (55)	2,800	* %	-	-	2,800	-	*%
Marketbyte, LLC (56)	10,000	* %	-	-	10,000	-	*%
Marla I Green	1,030	* %	-	-	1,030	-	*%

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Marshall J Stein	5,000	*%	2,500	-	7,500	-	*%
Martin J. Brill	11,250	*%	-	-	11,250	-	