

Prospectus Supplement  
(To prospectus dated September 14, 2015)

## ITUS CORPORATION

### 3,500,000 Shares of Common Stock

We are offering 3,500,000 of our common stock, par value \$0.01 per share, for a purchase price equal to \$1.05 per share. For a description of our common stock, see the section entitled “*Description of Securities we are Offering*” beginning on page S-12 of this prospectus supplement.

Our common stock is listed on The NASDAQ Capital Market (NASDAQ) under the symbol “ITUS.” On May 10, 2017, the last reported sales price of our common stock on NASDAQ was \$1.70 per share.

As of May 10, 2017, the aggregate market value of our outstanding common stock held by non-affiliates was approximately \$35,051,056 based on 11,694,863 outstanding shares of common stock, of which approximately 10,953,455 shares are held by non-affiliates, and a per share price of \$3.20, based upon the closing sale price of our common stock on March 28, 2017. During the 12 calendar month period that ends on, and includes, the date of this prospectus supplement, we have offered and sold \$4,734,312.66 of our securities pursuant to General Instruction I.B.6 of Form S-3.

**Investing in our securities involves a high degree of risk. You should read this prospectus supplement and the information incorporated herein by reference carefully before you make your investment decision. See “[Risk Factors](#)” beginning on page S-7 of this prospectus supplement.**

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

	Per Share	Total(1)
Public offering price	\$1.05	\$3,675,000
Placement agent fees <sup>(1)</sup>	\$0.084	\$294,000
Proceeds, before expenses, to us <sup>(2)</sup>	\$0.966	\$3,381,000

(1) See “Plan of Distribution” on page S-15 for a complete description of the compensation to be received by the Placement Agent, which includes reimbursement of certain expenses.

(2) Assumes the maximum offering if completed.

We have engaged Dawson James Securities, Inc. (“Dawson” or the “Placement Agent”) to act as our exclusive placement agent in connection with this offering. Dawson is not purchasing or selling the securities offered by us, and is not required to sell any specific number or dollar amount of securities, but will use its reasonable best efforts to arrange for the sale of the securities offered. We have agreed to pay Dawson a placement fee equal to 8% of the aggregate gross proceeds to us from the sale of the securities in the offering. Dawson may engage one or more sub-agents or selected dealers in connection with this offering. We estimate total expenses of this offering, excluding the placement agent fees, will be approximately \$110,000. Because there is no minimum offering amount required as a condition to closing in this offering, the actual public 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. This offering will terminate on May 18, 2017, unless the offering is fully subscribed before that date or we decide to terminate the offering prior to that date. In either event, the offering may be closed without further notice to you. We have not arranged to place the funds from investors in an escrow, trust or similar account.

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**Dawson James Securities, Inc.**

The date of this prospectus supplement is May 15, 2017

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## TABLE OF CONTENTS

### Prospectus Supplement

	<u>Page</u>
<a href="#">About This Prospectus Supplement</a>	S-1
<a href="#">Cautionary Note Regarding Forward-Looking Statements</a>	S-2
<a href="#">Prospectus Supplement Summary</a>	S-3
<a href="#">The Offering</a>	S-6
<a href="#">Risk Factors</a>	S-7
<a href="#">Use of Proceeds</a>	S-10
<a href="#">Dilution</a>	S-11
<a href="#">Description of Securities We Are Offering</a>	S-12
<a href="#">Price Range of Common Stock</a>	S-13
<a href="#">Dividend Policy</a>	S-14
<a href="#">Plan of Distribution</a>	S-15
<a href="#">Legal Matters</a>	S-16
<a href="#">Experts</a>	S-16
<a href="#">Where You Can Find More Information</a>	S-16
<a href="#">Incorporation of Certain Information By Reference</a>	S-16

### Prospectus

	<u>Page</u>
<a href="#">About This Prospectus</a>	1
<a href="#">Cautionary Statement Regarding Forward-Looking Statements</a>	2
<a href="#">Prospectus Summary</a>	3
<a href="#">Risk Factors</a>	4
<a href="#">Use of Proceeds</a>	5
<a href="#">Plan of Distribution</a>	6
<a href="#">Description of Securities We May Offer</a>	9
<a href="#">Forms of Securities</a>	21
<a href="#">Legal Matters</a>	23
<a href="#">Experts</a>	23
<a href="#">Where You Can Find Additional Information</a>	23
<a href="#">Incorporation of Documents by Reference</a>	23

**You should rely only on the information we have provided or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement or the accompanying prospectus.**

**This prospectus supplement and any later prospectus supplement is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.**

**You should assume that the information contained in this prospectus supplement and in any other prospectus supplement is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any other prospective supplement for any sale of securities.**

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the “prospectus,” we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus, any related free-writing prospectus and the documents incorporated into each by reference include important information about us, the shares being offered and other information you should know before investing in our securities.

You should rely only on this prospectus supplement, the accompanying prospectus, any related free-writing prospectus and the information incorporated or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We have not, and the Placement Agent has not, authorized anyone to provide you with information that is in addition to, or different from, that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Placement Agent is not, offering to sell securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free-writing prospectus is accurate as of any date other than as of the date of this prospectus supplement, the accompanying prospectus or any related free-writing prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our securities. Our business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

Unless otherwise stated, all references to “us,” “our,” “ITUS,” “we,” the “Company” and similar designations refer to ITUS Corporation. Our logo, trademarks and service marks are the property of ITUS Corporation. Other trademarks or service marks appearing in this prospectus supplement are the property of their respective holders.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference herein may contain forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this prospectus supplement and the documents incorporated by reference herein, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” or “will” or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under “Risk Factors” or elsewhere in this prospectus supplement and the documents incorporated by reference herein, which may cause our or our industry’s actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed (i) in our Annual Report on Form 10-K for the fiscal year ended October 31, 2016, (ii) in this prospectus supplement, and in particular, the risks discussed below and under the heading “Risk Factors” and (iii) those discussed in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended October 31, 2016 and 2015 and notes incorporated by reference herein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this prospectus supplement. You are advised to consult any further disclosures we make on related subjects in our reports on Forms 10-Q, 8-K and 10-K filed with the SEC.

## PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus supplement. This summary does not contain all the information that you should consider before investing in our Company. You should carefully read the entire prospectus supplement, including all documents incorporated by reference herein. In particular, attention should be directed to our “Risk Factors,” “Information With Respect to the Company,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and related notes thereto contained herein or otherwise incorporated by reference hereto, before making an investment decision.*

### **Business Overview**

ITUS Corporation, through its wholly owned subsidiary, Anixa Diagnostics Corporation (“Anixa”), is using the power of the immune system to diagnose cancer. Cchek<sup>®</sup>, our early cancer detection blood test, monitors subtle changes that occur in the immune system throughout early tumor formation and tumor growth. We hope that Cchek will one day become part of the standard blood work ordered for patients during routine doctor visits.

Cancer survival data from the past 50 years indicates that the earlier cancer is diagnosed, the higher the likelihood of survival. For many cancers, such as breast cancer and prostate cancer, early diagnoses (e.g., at stage 1 or stage 2) often result in cancer survival rates of between 90% and 100%, while later diagnoses (e.g., at stage 3 or stage 4) often result in survival rates of less than 30%. While much of the focus and research dollars have been spent trying to cure advanced cancers, the cancer survival data indicates that technologies which can find cancer early have the potential to have an enormous impact on increasing cancer survival rates and reducing cancer mortalities. For those cancers for which we currently have cancer detection technologies, we believe existing diagnostics are outdated, yielding results that are often inaccurate and unreliable for the doctor and invasive and expensive for the patient. For many other cancers, there are no effective means of early cancer detection.

Although early in its development, the efficacy of Cchek has already been demonstrated with 15 cancer types, including lung cancer, breast cancer, colon cancer, prostate cancer, pancreatic cancer, ovarian cancer, liver cancer, thyroid cancer and seven other cancers. When tested using blood samples from biopsy verified cancer patients and blood samples from healthy patients, Cchek has demonstrated a high degree of accuracy in detecting early and late stage cancers, and a high degree of reliability in distinguishing the blood of cancer patients from healthy patients. While many of the newest immunotherapy drugs are attempting to modify or enhance the power of the immune system to treat advanced cancers, we are relying on certain types of immune cells to diagnose cancer. Through the use of proprietary methodologies and protocols for identifying and monitoring these cells, including the use of artificial intelligence to interpret results, we believe that it will be possible to diagnose the presence of many types of cancer early with a relatively simple, inexpensive blood test.

Over the next nine to 12 months, we intend to undertake several important steps that are necessary to continue the development of Cchek and continue to prepare the technology for the regulatory approval process. We plan to accumulate and process a greater number of cancer blood samples and normal blood samples, to be tested under consistent conditions and with the same protocols. We also intend to test benign conditions to determine whether we can successfully distinguish benign conditions from cancer. We expect to continue the development of our neural network and our use of artificial intelligence to determine whether it is capable of distinguishing one type of cancer from another. Finally, we aim to standardize our processes and procedures for Cchek and test and simulate a variety of varying conditions that may occur with the widespread distribution of a diagnostic test to determine the effects that such conditions may have on test results following commercialization.

We were incorporated in November 1982 under the laws of the State of Delaware. From inception through October 2012, our primary operations involved the development of patented technologies in the areas of thin-film displays and encryption. Beginning in October 2012, under the leadership of a new management team, we recapitalized our company, changed our corporate name and trading symbol, relocated our headquarters and modernized our computer systems. In July 2015, our shares of common stock began trading on NASDAQ.

## [Table of Contents](#)

In June 2015, we announced the formation of a new subsidiary, Anixa to develop a platform for non-invasive blood tests for the early detection of cancer. That platform is called Cchek. In July 2015, we announced a collaborative research agreement with The Wistar Institute (“Wistar”), the nation’s first independent biomedical research institute and a National Cancer Institute designated cancer research center, for the purpose of validating our cancer detection methodologies and establishing protocols for identifying certain biomarkers in the blood which we identified and which are known to be associated with malignancies. In August 2016, we announced the renewal and expansion of our relationship with Wistar.

In October 2015, we and Wistar announced favorable results from initial testing of a small group of breast cancer patients and healthy controls. One hundred percent of the blood samples tested from patients with varying stages of breast cancer showed the presence of the biomarkers we identified, and none of the healthy patient blood samples contained the biomarkers. Breast cancer is the second most common cancer in the United States and throughout the world.

In April 2016, we announced that we had demonstrated the efficacy of our Cchek early cancer detection platform with lung cancer. Lung cancer is the leading cause of death among cancers in the United States and throughout the world, accounting for approximately 27% of all cancer related deaths in the United States and 19% worldwide. In September 2016, we announced that we had demonstrated the efficacy of our Cchek early cancer detection platform with colon cancer. Colon cancer is the third most common cancer in men and the second most common cancer in women worldwide, with approximately 1.4 million new cases diagnosed each year, and approximately 700,000 deaths. At the end of September 2016 through the end of October 2016, we made similar announcements with respect to the efficacy of our Cchek early cancer detection platform for melanoma, ovarian cancer, liver cancer, thyroid cancer and pancreatic cancer. In November 2016, we announced that we had demonstrated the efficacy of our Cchek early cancer detection platform with six additional cancer types including appendiceal cancer (cancer of the appendix), uterine cancer, osteosarcoma (cancer of the bone), leiomyosarcoma (cancer of the soft tissue), liposarcoma (cancer of the connective tissue), and vulvar cancer (cancer of the vulva). In January 2017, we announced that we had demonstrated the efficacy of our Cchek early cancer detection platform with prostate cancer, bringing the number of cancer types for which the efficacy of Cchek has been validated to 15 through that date.

On December 7, 2016, MD Anderson Cancer Center enrolled to join our early cancer detection biomarker study. Patient blood samples produced by MD Anderson will assist us in achieving the critical mass necessary to begin discussions with regulators.

Our Cchek cancer detection platform measures a patient's immune response to a malignancy by detecting the presence, absence and quantity of certain immune cells that exist in and around a tumor and that enter the blood stream. These types of cells and the tumor microenvironment have been the focus of recent groundbreaking published and reported research in immune-oncology, enabling the development of novel immunotherapies used for treating certain cancer types. Instead of seeking to alter or boost the body’s immune system and its ability to destroy cancer cells, as is the case with immunotherapy drugs, we have developed proprietary techniques and protocols for measuring the subtle immunological changes that occur in the blood stream during tumor development. Specifically, we seek to identify a subset of myeloid cells that we believe are diagnostic. These cells, often referred to as Myeloid Derived Suppressor Cells (MDSCs), are identified by specific surface proteins enabling characterization. We generally refer to MDSCs and other cells of the immune system that we believe can be diagnostic in nature as biomarkers. Through our proprietary protocols, we have had early success and have demonstrated accuracy in detecting these biomarkers in the peripheral blood of biopsy verified cancer patients, and in distinguishing the blood of healthy patients from the blood of cancer patients. Our goal is to establish Cchek as a non-invasive, inexpensive, cancer diagnostic blood test that can reduce or eliminate the need for traditionally expensive, invasive, painful and often inaccurate cancer diagnostic procedures which are currently in use.

In each instance where we have demonstrated the efficacy of our cancer detection platform, fresh (utilized within 48 hours) blood samples from biopsy verified cancer patients have been tested at Wistar using a variety of experimental methodologies and protocols. Such unblinded, non-uniform testing is common during the initial development stage of new technologies and diagnostic tests. Blood samples from patients with differing severities of cancers (with some cancers such as breast cancer stage 0 to stage 4) have been tested, including samples from both pre-treatment and post-treatment patients. In addition, Wistar has also tested blood from healthy donors. A critical aspect of any cancer diagnostic is the ability to accurately distinguish patients with cancer from healthy patients. Based upon our early results, our scientists are working with Wistar to finalize protocols and methodologies for identifying and classifying the immunologic biomarkers that are the foundation for our Cchek early cancer detection platform. Although our scientists, working in collaboration with Wistar, will continue to improve our processes and methodologies to achieve maximum performance, we expect our testing to become more uniform over time and to eventually test patient samples in a double-blinded manner. While studies comparing biopsy verified cancer patients have been compared to healthy donors, we have not yet evaluated benign conditions such as non-malignant neoplasias, systemic inflammatory conditions, infections and other potential conditions that impact or may impact the immune system. Such testing will be necessary for regulatory approval.

## [Table of Contents](#)

Based upon and following the results of a more extensive clinical study, we intend to determine what further studies are necessary and whether and when to begin the process of seeking regulatory approval for a cancer screening test or confirmatory diagnostic test based upon our Cchek technology. One manner of seeking regulatory approval is to have a lab certified to run our cancer tests pursuant to the Clinical Laboratory Improvement Act of 1967 and the Clinical Laboratory Improvement Amendments of 1988 (together, “CLIA”). Among other requirements, CLIA requires clinical laboratories that perform diagnostic testing to be certified by the state in which the lab is located, as well as the Center for Medicare and Medicaid Services. If we seek regulatory approval pursuant to CLIA, only those laboratories that are certified under CLIA to run our diagnostic test would be able to process test samples. CLIA certification may or may not require additional studies. We may seek to establish our own CLIA certified laboratory to run the diagnostic tests, or we may potentially contract with an existing CLIA certified lab, and seek to have that laboratory certified to run our diagnostic test.

Another manner of obtaining regulatory approval would be to seek to have Cchek approved by the Food and Drug Administration (“FDA”), pursuant to what are commonly referred to as either the 510(K) process or the Premarket Application (“PMA”) process. The appropriate pathway for FDA approval would depend upon a variety of factors including the intended use of the test and the risks associated with such use. FDA approval can take several years and would entail additional clinical studies.

Our decision as to whether and when to seek CLIA certification or FDA approval of a diagnostic test or tests utilizing our Cchek technology will be dependent on a variety of factors including the results from more extensive clinical studies, the capital requirements of each approval process, the landscape for competitive diagnostic testing and the time and resources required by each approval process. It is possible that we may seek to have one or more diagnostic tests approved via CLIA certification, and other diagnostic test or tests approved by the FDA, or that we may seek simultaneous FDA approval and CLIA certification of a particular diagnostic test or tests.

During the balance of 2017, we expect Cchek to be the primary focus of our company. As part of our legacy operations, we remain engaged in limited patent licensing activities in the area of encrypted audio/video conference calling. We do not expect these activities to be a significant part of our ongoing operations.

Over the past several fiscal quarters, our revenue has been derived from technology licensing and the sale of patented technologies, including in connection with the settlement of litigation. In addition to our Anixa subsidiary, we may make investments in and form new companies to develop additional emerging technologies.

### **Recent Developments**

On May 9, 2017, we announced that we had extended our collaboration with Virtua Healthcare System (“Virtua”). Pursuant to the extension, Virtua will continue to provide patient samples for our ongoing cancer study through May of 2018. Additionally, on May 10, 2017, we announced that the United States Patent and Trademark Office had issued a Notice of Allowance on the first patent that we filed to protect our cancer detection technology.

### **Corporate Information**

Our principal executive offices are located at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, CA 90025, our telephone number is (310) 484-5200, and our Internet website address is <http://www.ITUScorp.com>. The information on our website is not a part of, or incorporated in, this prospectus supplement.

## THE OFFERING

*The following summary contains basic information about the offering and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the securities we are offering, you should read the section entitled "Description of Securities We Are Offering."*

<b>Common stock we are offering</b>	3,500,000 shares
<b>Common stock to be outstanding immediately after this offering</b>	15,194,863 shares
<b>Use of Proceeds</b>	We intend to use the net proceeds of this offering for general corporate purposes, including ongoing clinical work and working capital, and to repay certain outstanding indebtedness. See "Use of Proceeds."
<b>Risk Factors</b>	Your investment in our securities involves substantial risks. You should consider the "Risk Factors" and the "Note Regarding Forward-Looking Statements" included and incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risk factors incorporated by reference from our filings with the SEC.
<b>NASDAQ ticker symbol</b>	Our common stock is listed on The NASDAQ Capital Market under the symbol "ITUS."

The number of shares of common stock shown above to be outstanding after this offering is based on the 11,694,863 shares outstanding as of May 9, 2017 and excludes as of such date:

- 1,186,872 shares of our common stock issuable upon exercise of stock options outstanding under our 2010 Share Incentive Plan, 392,878 of which are not currently exercisable, which have a weighted average exercise price of \$3.29 per share and 189,000 shares of our common stock issuable upon exercise of stock options outstanding under our 2003 Share Incentive Plan which have a weighted average exercise price of \$19.03 per share;
- 770,400 shares of our common stock reserved for future issuance under our 2010 Share Incentive Plan;
- 1,780,000 shares of our common stock issuable upon the exercise of stock options outstanding pursuant to stock options that were not granted under the 2003 Share Plan or the 2010 Share Plan which have a weighted average exercise price of \$2.70 per share; and
- 837,400 shares of our common stock issuable upon exercise of our outstanding warrants which have a weighted average exercise price of \$7.04.



## RISK FACTORS

*Investing in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should carefully consider the risk factors we describe in this prospectus supplement and in any related free writing prospectus that we may authorize to be provided to you or in any report incorporated by reference into this prospectus supplement, including our Annual Report on Form 10-K for the year ended October 31, 2016, or any Annual Report on Form 10-K or Quarterly Report on Form 10-Q that is incorporated by reference into this prospectus supplement after the date of this prospectus supplement. Although we discuss key risks in those risk factor descriptions, additional risks not currently known to us or that we currently deem immaterial also may impair our business. Our subsequent filings with the SEC may contain amended and updated discussions of significant risks. We cannot predict future risks or estimate the extent to which they may affect our financial performance.*

### **Risks Related to our Financial Condition and Operations**

***We have a history of losses and may incur additional losses in the future.***

On a cumulative basis we have sustained substantial losses and negative cash flows from operations since our inception. As of January 31, 2017, our accumulated deficit was approximately \$152,754,000. As of January 31, 2017, we had approximately \$2,000,000 in cash and cash equivalents and short-term investments, and a working capital deficit of approximately \$1,655,000. We incurred losses of approximately \$5,016,000 in fiscal year 2016. We expect to incur material research and development expenses and to continue incurring significant legal and general and administrative expenses in connection with our operations. As a result, we anticipate that we will incur losses in the future.

***As a result of our current lack of financial liquidity, our independent registered public accounting firm (“auditors”) has expressed substantial doubt regarding our ability to continue as a “going concern.”***

As a result of our historical losses and our current burn rate, our auditors’ report for our financial statements for the year ended October 31, 2016 contains a statement concerning our ability to continue as a “going concern” in the event that we are unable to obtain additional capital. Potential sources of capital include income from operations, debt and the sale of the Company’s equity securities. Many factors impact our ability to generate capital including the results of our ongoing clinical trials, the price of our stock, the liquidity of our stock, factors that influence the capital markets, and the overall health of the U.S. and world economies.

Because Cchek is at an early stage of development, it is not likely that we will generate revenue from operations for the foreseeable future. In the event that we are unable to raise additional capital, the ongoing development of Cchek would be materially and adversely impacted as would the continuing viability of the Company.

Our financial statements have been prepared assuming that we will continue as a going concern. In order for us to have sufficient capital to execute our business plan, fund our operations and meet our debt obligations over the next 12 months, we will need to raise additional capital. Although we have been successful in the past in raising capital, we cannot provide any assurance that we will be successful in doing so in the future to the extent necessary to be able to fund our operating activities and debt obligations over the next 12 months, which raises substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***We will need additional funding in the future which may not be available on acceptable terms, or at all, and, if available, may result in dilution to our stockholders.***

Based on currently available information as of May 10, 2017, we believe that our existing cash, cash equivalents, short-term investments and expected cash flows from operations will not be sufficient to fund our activities and debt obligations for the next 12 months. To date, we have relied primarily upon cash from the public and private sale of equity and debt securities, as well as net proceeds from the December 2014 settlement with AUO Optronics Corporation (“AUO”), to generate the working capital needed to finance our operations and to repay the Redemption Debenture. If current cash on hand, cash equivalents, short term investments and cash that may be generated from our business operations are insufficient to continue to operate our business, we will be required to

## [Table of Contents](#)

obtain more working capital. We may seek to obtain working capital through sales of our equity securities or through bank credit facilities or public or private debt from various financial institutions where possible which would rank junior in right of payment to our existing Redemption Debenture. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we do identify sources for additional funding, the sale of additional equity securities or convertible debt could result in dilution to our stockholders. Additionally, the sale of equity securities or issuance of debt securities may be subject to certain security holder approvals or may result in the downward adjustment of the exercise or conversion price of our outstanding securities. We can give no assurance that we will generate sufficient cash flows in the future to satisfy our liquidity requirements or sustain future operations, or that other sources of funding, such as sales of equity or debt, would be available or would be approved by our security holders, if needed, on favorable terms or at all. If we fail to obtain additional working capital as and when needed, such failure could have a material adverse impact on our business, results of operations and financial condition. Furthermore, such lack of funds may inhibit our ability to respond to competitive pressures or unanticipated capital needs, or may force us to reduce operating expenses, which would significantly harm the business and development of operations.

### ***Failure to pay our secured debt holder may result in a foreclosure.***

On September 9, 2014, we issued 140 shares of Series A Preferred having an aggregate value of \$3,500,000 (the “Series A Preferred”) and a warrant to purchase 370,000 shares of common stock (the “September 2014 Warrant”). The September 2014 Warrant expired on November 11, 2016. Holders of our Series A Preferred had a one-time right to require the Company to redeem the Series A Preferred shares, which right was set to expire on November 11, 2016. Under its terms, the Series A Preferred could only be redeemed from the proceeds of the sale of the Company’s equity securities. On November 11, 2016 the holder of all of our outstanding Series A Preferred exercised its right of redemption. On December 6, 2016, we entered into an agreement with the holder of the Series A Preferred setting forth the terms under which such redemption would take place (the “Redemption Agreement”) in lieu of paying the redemption from proceeds of the sale of equity securities. Pursuant to the Redemption Agreement, at closing the holder of the Series A Preferred received (i) \$500,000 in cash, (ii) a 12% secured debenture evidencing the remaining \$3,000,000 amount to be redeemed, \$1,000,000 of which is due on or before June 1, 2017 and the remainder of which is due November 11, 2017, and (iii) a 5 year Warrant to purchase 500,000 shares of the Company’s common stock with substantially the same terms as the expired September 2014 Warrant at an exercise price equal to \$5.03 per share. The Redemption Debenture is secured by a lien on the Company’s assets and prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company’s business.

If we default under the Redemption Debenture, the creditor may seek to obtain a judgment against the Company for the remaining balance of the Redemption Debenture and attempt to foreclose on assets of the Company sufficient to repay the remaining balance of the Redemption Debenture. In the event of a default, if the Company is unable to re-negotiate the terms of the Redemption Debenture or raise sufficient capital to repay the remaining balance of the Redemption Debenture, such default would have a material adverse impact on the ongoing operations of the Company.

### ***The terms set forth in the Redemption Debenture may make it difficult for us to borrow additional funds in the future.***

Other than trade debt, the terms of the Redemption Debenture prohibit us from incurring indebtedness that ranks senior in right of payment to the Redemption Debenture. This restriction may make it difficult for us to borrow additional funds from third parties. Additionally, the Redemption Debenture is secured by a lien on the assets of the Company which may prevent us from incurring additional secured debt. If we are unable to raise additional capital through the issuance of debt such failure could have a material adverse impact on our business, results of operations and financial condition.

***Failure to effectively manage our potential growth could place strains on our managerial, operational and financial resources and could adversely affect our business and operating results.***

Our business strategy and potential growth may place a strain on managerial, operational and financial resources and systems. Although we may not grow as we expect, if we fail to manage our growth effectively or to develop and expand our managerial, operational and financial resources and systems, our business and financial results will be materially harmed.

#### **Risks Related to This Offering**

***Management will have broad discretion with respect to the use of the proceeds from this offering.***

Although we have highlighted the intended use of proceeds for this offering, our management will have broad discretion as to the application of the net proceeds from this offering and could use them for purposes other than those contemplated at the time of the offering. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. It is possible that our management may use the net proceeds for corporate purposes that may not improve our financial condition or market value.

***You will experience immediate and substantial dilution.***

You will suffer substantial dilution. See “Dilution” in this prospectus supplement for more information of the dilution you will incur in this offering.

***We do not anticipate declaring any cash dividends on our common stock which may adversely impact the market price of our stock.***

We have never declared or paid cash dividends on our common stock and do not plan to pay any cash dividends in the near future. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates.

***Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.***

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or the market perception that we are permitted to sell a significant number of our securities would have on the market price of our common stock.

***You may experience future dilution as a result of future equity or debt offerings.***

In order to raise additional capital, including to repay the Redemption Debenture, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share in this offering. We may sell shares or other securities in any future offering at a price per share that is lower than the price per share paid by investors in this offering, which would result in those newly issued shares being dilutive. In addition, investors purchased shares or other securities in the future could have rights superior to existing stockholders, which could impair the value of your shares. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by investors in this offering, which would result in those newly issued shares being dilutive to your investment. In addition, investors purchasing shares or other securities in the future could have rights superior to existing stockholders, which could impair the value of your shares. Further, the issuance of debt securities in order to obtain additional funds may impose restrictions on our operations and may impair our working capital as we service any such debt obligations.

***We are selling the securities offered in this prospectus on a “best efforts” basis with no minimum offering and may not be able to sell any of the securities offered herein.***

We have engaged Dawson James Securities, Inc. (“Dawson” or the “Placement Agent”) to act as a placement agent in connection with this offering. While Dawson will use its reasonable best efforts to arrange for the sale of the securities, it is under no obligation to purchase any of the securities. As a result, there are no firm commitments to purchase any of the securities in this offering. Consequently, there is no guarantee that we will be capable of selling all, or any, of the securities being offered hereby. In addition, we have not specified a minimum offering amount nor have or will we establish an escrow account in connection with this offering. Because there is no escrow account and no minimum offering amount, investors could be in a position where they have invested in our company, but we are unable to fulfill our objectives due to a lack of interest in this offering. Further, because there is no escrow account in operation and no minimum investment amount, any proceeds from the sale of securities offered by us will be available for our immediate use, despite uncertainty about whether we would be able to use such funds to effectively implement our business plan. Investor funds will not be returned under any circumstances whether during or after the offering.

## USE OF PROCEEDS

We estimate that the net proceeds from the sale of the securities offered by this prospectus supplement will be approximately \$3,271,000, after deducting placement agent fees and expenses and other estimated offering expenses payable by us.

We intend to use the net proceeds of this offering for general corporate purposes, including ongoing clinical work and working capital, and to repay the Redemption Debenture. A portion of the net proceeds may also be used for the acquisition of businesses, products and technologies that are complementary to ours, or for other strategic purposes, although we have no current understandings, commitments or agreements to do so. We may use a portion of the net proceeds to repurchase outstanding warrants. Pending use of the net proceeds, we intend to invest the net proceeds in short-term, interest-bearing, investment-grade securities.

The Redemption Debenture is in the principal amount of \$3,000,000 and is to be paid in cash by us as follows: \$1,000,000 of the principal amount is due on or before June 1, 2017, and the remaining \$2,000,000 of the principal amount is due on or before November 11, 2017. Interest accrues on any unpaid principal of the Redemption Debenture at the rate of 12% per annum, payable in cash on the first day of each calendar quarter beginning 90 days after issuance of the Redemption Debenture, with all accrued and unpaid interest to be paid with the final payment of principal under the Redemption Debenture (regardless of such repayment date). The Redemption Debenture is secured by a lien on our assets and prohibits us from incurring any senior indebtedness other than equipment financing in connection with our business.

## DILUTION

If you purchase shares of our common stock in this offering, you will experience dilution to the extent of the difference between the public offering price per share in this offering and our as adjusted net tangible book value (deficit) per share immediately after this offering. Net tangible book value (deficit) per share is equal to the amount of our total tangible assets, less total liabilities, divided by the number of outstanding shares of our common stock. As of January 31, 2017, our net tangible book value (deficit) was approximately (\$5.81 million), or approximately (\$0.66) per share.

After giving effect to the sale by us of 3,500,000 shares of our common stock in this offering at a public offering price of \$1.05 per share, after deducting placement agent fees and expenses and other estimated offering expenses payable by us, our as adjusted net tangible book value (deficit) as of January 31, 2017 would have been approximately (\$2.54 million), or approximately (\$0.21) per share. This represents an immediate increase in net tangible book value (deficit) of \$0.45 per share to existing stockholders and an immediate dilution of (\$1.26) per share to new investors purchasing shares of our common stock in this offering. The following table illustrates this per share dilution (unaudited):

Public offering price per share of common stock	\$ 1.05
Net tangible book value per share as of January 31, 2017	\$ (0.66)
Increase per share attributable to the offering	<u>0.45</u>
As adjusted net tangible book value per share after this offering	<u>\$ (0.21)</u>
Dilution per share to new investors	<u>\$ (1.26)</u>

The number of shares of common stock shown above to be outstanding after this offering is based on the 8,758,050 shares outstanding as of January 31, 2017 and excludes:

- 1,186,872 shares of our common stock issuable upon exercise of stock options outstanding under our 2010 Share Incentive Plan, 392,878 of which are not currently exercisable, which have a weighted average exercise price of \$3.29 per share and 189,000 shares of our common stock issuable upon exercise of stock options outstanding under our 2003 Share Incentive Plan which have a weighted average exercise price of \$19.03 per share;
- 770,400 shares of our common stock reserved for future issuance under our 2010 Share Incentive Plan;
- 1,780,000 shares of our common stock issuable upon the exercise of stock options outstanding pursuant to stock options that were not granted under the 2003 Share Plan or the 2010 Share Plan which have a weighted average exercise price of \$2.70 per share; and
- 837,400 shares of our common stock issuable upon exercise of our outstanding warrants which have a weighted average exercise price of \$7.04.

To the extent that any of our outstanding options or warrants are exercised, we grant additional options or other awards under our stock incentive plan or issue additional warrants, or we issue additional shares of common stock in the future, there may be further dilution.

**DESCRIPTION OF SECURITIES WE ARE OFFERING**

**Common Stock**

For a description of the common stock being offered hereby, please see “Description of Securities We May Offer” in the accompanying prospectus.

### PRICE RANGE OF COMMON STOCK

Our common stock has been listed on The NASDAQ Capital Market under the symbol “ITUS” since July 9, 2015. Prior to July 9, 2015, our common stock was quoted on the OTCQB. On June 26, 2015, we consummated a one-for-twenty five reverse stock split. The following table shows the high and low per share sale prices of our common stock for the periods indicated.

	<u>High</u>	<u>Low</u>
<b>Fiscal Year Ended October 31, 2015</b>		
1 <sup>st</sup> Quarter	\$ 5.53	\$ 2.25
2 <sup>nd</sup> Quarter	4.10	1.39
3 <sup>rd</sup> Quarter	6.40	1.75
4 <sup>th</sup> Quarter	6.00	3.50
<b>Fiscal Year Ended October 31, 2016</b>		
1 <sup>st</sup> Quarter	\$ 4.85	\$ 2.01
2 <sup>nd</sup> Quarter	3.31	1.88
3 <sup>rd</sup> Quarter	3.70	2.55
4 <sup>th</sup> Quarter	6.82	2.85
<b>Fiscal Year Ended October 31, 2017</b>		
1 <sup>st</sup> Quarter	\$ 6.60	\$ 4.20
2 <sup>nd</sup> Quarter	5.50	1.85
3 <sup>rd</sup> Quarter <sup>(1)</sup>	2.05	1.00

(1) Through May 10, 2017.

On May 10, 2017, the last sale price reported on The NASDAQ Capital Market for our common stock was \$1.70 per share. As of May 10, 2017, there were approximately 306 stockholders of record of our common stock.

**DIVIDEND POLICY**

We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, to support our business strategy and do not anticipate paying cash dividends in the foreseeable future. Payment of future dividends, if any, will be at the sole discretion of our board of directors after taking into account various factors, including our financial condition, operating results, capital requirements and any plans for expansion.



## PLAN OF DISTRIBUTION

We are offering 3,500,000 shares of our common stock. However, there is no minimum offering amount required as a condition to closing and we may sell significantly fewer shares of common stock in the offering. The offering will terminate on May 18, 2017, unless the offering is fully subscribed before that date or we decide to terminate the offering prior to that date.

In determining the offering price of the shares, we will consider a number of factors including, but not limited to, the current market price of our common stock, trading prices of our common stock over time, the illiquidity and volatility of our common stock, our current financial condition and the prospects for our future cash flows and earnings, and market and economic conditions at the time of the offering. Once the offering price is determined, the offering price for the units will remain fixed for the duration of the offering.

Dawson James Securities, Inc. (the "Placement Agent") has agreed to act as our exclusive placement agent in connection with the offering pursuant to the terms and conditions of a placement agency agreement. The Placement Agent is not purchasing or selling any securities offered by this prospectus, and is not required to arrange for the purchaser or sale of any specific number or dollar amount of securities, but will use its reasonable best efforts to arrange for the sale of the securities offered by this prospectus. The Placement Agent may retain one or more sub-agents or selected dealers in connection with the offering.

We have agreed to pay to the Placement Agent a placement agent fee equal to eight percent (8%) of the aggregate gross proceeds to us from the sale of the securities in the offering. In addition, we have agreed to reimburse the placement agent for offering expenses in sum of \$60,000 (including \$50,000 for legal fees and expenses). We estimate total expenses of this offering, excluding the placement agent fees, will be approximately \$110,000. The following table shows the per share and total fees we will pay to the placement agent assuming the sale of all of the shares offered pursuant to this prospectus.

	Per Share	Total
Public offering price	\$ 1.05	\$ 3,675,000
Placement agent fees	\$ 0.084	\$ 294,000
Proceeds, before expense, to us	\$ 0.966	\$ 3,381,000

Because there is no minimum offering amount required as a condition to closing in this offering, the actual total offering fees, if any, are not presently determinable and may be substantially less than the maximum amount set forth above.

The placement agency agreement provides that we will indemnify the Placement Agent against specified liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). The Placement Agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any commissions received by it and any profit realized on the resale of the 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 would be required to comply with the Securities Act and the Securities Exchange Act of 1934, as amended ("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 acting as principal. 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.

### Restriction on Sales of Capital Stock

The placement agency agreement contains a restriction on sales of our capital stock by us, pursuant to which we will agree to not, for a period of 90 days after the date of the placement agency agreement, subject to certain exceptions, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, our capital stock or any securities convertible into or exercisable or exchangeable for our capital stock; (ii) file or cause to be filed any registration statement with the Securities and Exchange Commission relating to the offering of our capital stock or any securities convertible into or exercisable or exchangeable for our capital stock other than the filing of a Registration Statement on Form S-8; (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our capital stock, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of our capital stock or such other securities, in cash or otherwise; or (iv) publicly announce an intention to effect any transaction specified in clause (i), (ii) or (iii) above.

## LEGAL MATTERS

The validity of the issuance of the common stock offered by this prospectus supplement will be passed upon for us by Ellenoff Grossman & Schole LLP, New York, New York. Schiff Hardin LLP, Washington, DC, is acting as counsel to the Placement Agent in this offering.

## EXPERTS

The consolidated financial statements of ITUS Corporation and subsidiaries as of and for the years ended October 31, 2016 and 2015 have been incorporated by reference in the registration statement in reliance upon the report of Haskell & White LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement is part of the registration statement on Form S-3 we filed with the SEC under the Securities Act and does not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus to any of our contracts, agreements or other documents, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement or the exhibits to the reports or other documents incorporated by reference into this prospectus supplement for a copy of such contract, agreement or other document. Because we are subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are "incorporating by reference" certain documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus supplement. Statements contained in documents that we file with the SEC and that are incorporated by reference in this prospectus supplement will automatically update and supersede information contained in this prospectus supplement, including information in previously filed documents or reports that have been incorporated by reference in this prospectus supplement, to the extent the new information differs from or is inconsistent with the old information. We have filed or may file the following documents with the SEC and they are incorporated herein by reference as of their respective dates of filing:

- Our Annual Report on Form 10-K for the year ended October 31, 2016, filed with the SEC on December 7, 2016, and as amended on December 8, 2016;
- Our Quarterly Report on Form 10-Q for the quarter ended January 31, 2017, filed with the SEC on March 16, 2017;
- Our Current Reports on Form 8-K filed with the SEC on December 7, 2016, March 8, 2017 and April 13, 2017; and
- The description of our common stock contained in our Current Report on Form 8-K filed on March 31, 2014 and as it may further be amended from time to time.

All documents that we filed with the SEC pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act subsequent to the date of this registration statement and prior to the filing of a post-effective amendment to this registration statement that indicates that all securities offered under this prospectus supplement have been sold, or that deregisters all securities then remaining unsold, will be deemed to be incorporated in this registration statement by reference and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement shall be deemed modified, superseded or replaced for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement, or in any subsequently filed document that also

[Table of Contents](#)

is deemed to be incorporated by reference in this prospectus supplement, modifies, supersedes or replaces such statement. Any statement so modified, superseded or replaced shall not be deemed, except as so modified, superseded or replaced, to constitute a part of this prospectus supplement. None of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K or any corresponding information, either furnished under Item 9.01 or included as an exhibit therein, that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus supplement, except as otherwise expressly set forth in the relevant document. Subject to the foregoing, all information appearing in this prospectus supplement is qualified in its entirety by the information appearing in the documents incorporated by reference.

We will promptly provide, without charge to each person (including any beneficial owners) who receives a copy of this prospectus, upon written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus supplement. You may request, orally or in writing, a copy of these documents, by contacting Robert A. Berman, c/o ITUS Corporation, at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, CA 90025. Our telephone number is (310) 484-5200. Information about us is also available at our website at <http://www.ITUScorp.com>. However, the information in our website is not a part of this prospectus supplement and is not incorporated by reference.

Prospectus

# ITUS CORPORATION

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**\$12,000,000**

**COMMON STOCK  
PREFERRED STOCK  
PURCHASE CONTRACTS  
WARRANTS  
SUBSCRIPTION RIGHTS  
DEPOSITARY SHARES  
DEBT SECURITIES  
UNITS**

- common stock;
- preferred stock;
- purchase contracts;
- warrants to purchase our securities;
- subscription rights to purchase any of the foregoing securities;
- depositary shares;
- secured or unsecured debt securities consisting of notes, debentures or other evidences of indebtedness which may be senior debt securities, senior subordinated debt securities or subordinated debt securities, each of which may be convertible into equity securities; or
- units comprised of, or other combinations of, the foregoing securities.

We may offer and sell these securities separately or together, in one or more series or classes and in amounts, at prices and on terms described in one or more offerings. We may offer securities through underwriting syndicates managed or co-managed by one or more underwriters or dealers, through agents or directly to purchasers. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. For general information about the distribution of securities offered, please see "Plan of Distribution" in this prospectus.

Each time our securities are offered, we will provide a prospectus supplement containing more specific information about the particular offering and attach it to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. **This prospectus may not be used to offer or sell securities without a prospectus supplement which includes a description of the method and terms of this offering.**

Our common stock is quoted on the Nasdaq Capital Market under the symbol "ITUS." The aggregate market value of our outstanding common stock held by non-affiliates is \$44,995,088 based on 8,720,878 shares of outstanding common stock, of which 7,665,262 shares are held by non-affiliates, and a per share price of \$5.87 which was the closing sale price of our common stock as quoted on the NASDAQ Capital Market on July 24, 2015. 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 hereof.

Concurrently with the securities being offered by us in a primary offering pursuant to this prospectus, an additional 2,041,578 shares of our common stock have been registered in a secondary offering in a separate prospectus included in our Post-Effective Amendment No. 1 to Form S-3 on Form S-1 (File No. 333-193869) declared effective on March 19, 2015, an additional 325,400 shares of common stock have been registered in a primary offering in a separate prospectus included in our Post-Effective Amendment No. 1 to Form S-3 on Form S-1 (File No. 333-193869) declared effective on March 19, 2015, and an additional 1,210,737 shares of our common stock have been registered in a secondary offering in a separate prospectus included in our Registration Statement on Form S-1 (File No. 333-200804) declared effective on March 13, 2015.

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[Table of Contents](#)

If we decide to seek a listing of any preferred stock, purchase contracts, warrants, subscriptions rights, depositary shares, debt securities or units offered by this prospectus, the related prospectus supplement will disclose the exchange or market on which the securities will be listed, if any, or where we have made an application for listing, if any.

**Investing in our securities involves certain risks. See “Risk Factors” beginning on page 4 and the risk factors in our most recent Annual Report on Form 10-K, which is incorporated by reference herein, as well as in any other recently filed quarterly or current reports and, if any, in the relevant prospectus supplement. We urge you to carefully read this prospectus and the accompanying prospectus supplement, together with the documents we incorporate by reference, describing the terms of these securities before investing.**

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

The date of this Prospectus is September 14, 2015

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## TABLE OF CONTENTS

	<u>Page</u>
<a href="#"><u>About This Prospectus</u></a>	1
<a href="#"><u>Cautionary Statement Regarding Forward-Looking Statements</u></a>	2
<a href="#"><u>Prospectus Summary</u></a>	3
<a href="#"><u>Risk Factors</u></a>	4
<a href="#"><u>Use of Proceeds</u></a>	5
<a href="#"><u>Plan of Distribution</u></a>	6
<a href="#"><u>Description of Securities We May Offer</u></a>	9
<a href="#"><u>Forms of Securities</u></a>	21
<a href="#"><u>Legal Matters</u></a>	23
<a href="#"><u>Experts</u></a>	23
<a href="#"><u>Where You Can Find Additional Information</u></a>	23
<a href="#"><u>Incorporation of Documents by Reference</u></a>	23

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. Under this shelf registration process, we may offer and sell, either individually or in combination, in one or more offerings, any of the securities described in this prospectus, for total gross proceeds of up to \$12,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities under this prospectus, we will provide a prospectus supplement to this prospectus that will contain more specific information about the terms of that offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. The prospectus supplement and any related free writing prospectus that we may authorize to be provided to you may also add, update or change any of the information contained in this prospectus or in the documents that we have incorporated by reference into this prospectus.

We urge you to read carefully this prospectus, any applicable prospectus supplement and any free writing prospectuses we have authorized for use in connection with a specific offering, together with the information incorporated herein by reference as described under the heading “Incorporation of Documents by Reference,” before investing in any of the securities being offered. You should rely only on the information contained in, or incorporated by reference into, this prospectus and any applicable prospectus supplement, along with the information contained in any free writing prospectuses we have authorized for use in connection with a specific offering. We have not authorized anyone to provide you with different or additional information. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

The information appearing in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate only as of the date on the front of the document and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus, any applicable prospectus supplement or any related free writing prospectus, or any sale of a security.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the section entitled “Where You Can Find Additional Information.”

This prospectus contains, or incorporates by reference, trademarks, tradenames, service marks and service names of ITUS Corporation.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus and any accompanying prospectus supplement and the documents incorporated by reference herein may contain forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this prospectus and any accompanying prospectus supplement and the documents incorporated by reference herein, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” or “will” or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under “Risk Factors” or elsewhere in this prospectus and the documents incorporated by reference herein, which may cause our or our industry’s actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this prospectus, and in particular, the risks discussed below and under the heading “Risk Factors” and those discussed in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended October 31, 2014 and 2013 and notes incorporated by reference herein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this prospectus to conform our statements to actual results or changed expectations.

Any forward-looking statement you read in this prospectus, any prospectus supplement or any document incorporated by reference reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, operating results, growth strategy and liquidity. You should not place undue reliance on these forward-looking statements because such statements speak only as to the date when made. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, except as otherwise required by applicable law. You are advised, however, to consult any further disclosures we make on related subjects in our reports on Forms 10-Q, 8-K and 10-K filed with the SEC. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.



## PROSPECTUS SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in our Company. You should carefully read the entire prospectus, including all documents incorporated by reference herein. In particular, attention should be directed to our “Risk Factors,” “Information With Respect to the Company,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and related notes thereto contained herein or otherwise incorporated by reference hereto, before making an investment decision.*

As used herein, and any amendment or supplement hereto, unless otherwise indicated, “we,” “us,” “our,” the “Company,” or “ITUS” means ITUS Corporation and its wholly-owned subsidiaries. Unless otherwise indicated, all references in this prospectus to “dollars” or “\$” refer to US dollars.

### **Business Overview**

We were incorporated on November 5, 1982 under the laws of the State of Delaware. From inception through end of fiscal year 2012, our primary operations involved licensing in connection with the development of patented technologies. Since that date, our primary operations include the development, acquisition, licensing, and enforcement of patented technologies that are either owned or controlled by the Company or one of our wholly-owned subsidiaries. Over the past several quarters, our revenue has been derived from technology licensing, and the sale of patented technologies, including in connection with the settlement of litigation. In addition to these activities, we may make investments in companies with emerging technologies, acquire companies with emerging technologies, acquire or in-license emerging technologies for development within our subsidiary companies, and create and capitalize subsidiary companies for the purpose of developing and commercializing technologies that we create. While we expect to continue to generate revenue from licensing, we may also derive revenue from products and services sold and provided by companies in which we make investments, and technologies that we acquire or create.

The Company currently owns, controls, or is developing technologies in the primary areas of: thin-film displays, encrypted communications, advanced materials applications, and cancer diagnostics. In June 2015, we formed Anixa Diagnostics Corporation, a wholly owned subsidiary of ITUS that is developing non-invasive, cancer screening tests. We are continuing our licensing programs in connection with our patented encrypted communications, and advanced materials applications technologies. In addition, we have resumed our Nano field emission display development program. The Company is looking to invest its resources in other emerging technology areas.

### **Corporate Information**

Our principal executive offices are located at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, CA 90025, our telephone number is (310) 484-5200, and our Internet website address is <http://www.ITUScorp.com>. The information on our website is not a part of, or incorporated in, this prospectus.

## **RISK FACTORS**

Investing in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should carefully consider the risk factors we describe in any prospectus supplement and in any related free writing prospectus for a specific offering of securities, as well as those incorporated by reference into this prospectus or such prospectus supplement. You should also carefully consider other information contained and incorporated by reference in this prospectus and any applicable prospectus supplement, including our financial statements and the related notes thereto incorporated by reference in this prospectus. The risks and uncertainties described in the applicable prospectus supplement and our other filings with the SEC incorporated by reference herein are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also adversely affect us. If any of the described risks occur, our business, financial condition or results of operations could be materially harmed. In such case, the value of our securities could decline and you may lose all or part of your investment.

## **USE OF PROCEEDS**

Unless otherwise indicated in a prospectus supplement, we intend to use the net proceeds from these sales for general corporate purposes, which includes, without limitation, the development of emerging technologies, investing in or acquiring companies that are developing emerging technologies, licensing activities, or the acquisition of other businesses. The amounts and timing of these expenditures will depend on numerous factors, including the development of our current business initiatives. We have no specific acquisitions contemplated at this time.

## PLAN OF DISTRIBUTION

We may sell the securities from time to time to or through underwriters or dealers, through agents, or directly to one or more purchasers. A distribution of the securities offered by this prospectus may also be effected through the issuance of derivative securities, including without limitation, warrants, rights to purchase and subscriptions. In addition, the manner in which we may sell some or all of the securities covered by this prospectus includes, without limitation, through:

- a block trade in which a broker-dealer will attempt to sell as agent, but may position or resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account; or
- ordinary brokerage transactions and transactions in which a broker solicits purchasers.

A prospectus supplement or supplements with respect to each series of securities will describe the terms of the offering, including, to the extent applicable:

- the terms of the offering;
- the name or names of the underwriters or agents and the amounts of securities underwritten or purchased by each of them, if any;
- the public offering price or purchase price of the securities or other consideration therefor, and the proceeds to be received by us from the sale;
- any delayed delivery requirements;
- any over-allotment options under which underwriters may purchase additional securities from us;
- any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation
- any discounts or concessions allowed or re-allowed or paid to dealers; and
- any securities exchange or market on which the securities may be listed.

The offer and sale of the securities described in this prospectus by us, the underwriters or the third parties described above may be effected from time to time in one or more transactions, including privately negotiated transactions, either:

- at a fixed price or prices, which may be changed;
- in an "at the market" offering within the meaning of Rule 415(a)(4) of the Securities Act of 1933, as amended, or the Securities Act;
- at prices related to such prevailing market prices; or
- at negotiated prices.

Only underwriters named in the prospectus supplement will be underwriters of the securities offered by the prospectus supplement.

### *Underwriters and Agents; Direct Sales*

If underwriters are used in a sale, they will acquire the offered securities for their own account and may resell the offered securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. We may offer the securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate.

Unless the prospectus supplement states otherwise, the obligations of the underwriters to purchase the securities will be subject to the conditions set forth in the applicable underwriting agreement. Subject to certain conditions, the underwriters will be obligated to purchase all of the securities offered by the prospectus supplement, other than securities covered by any over-allotment option. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may change from time to time. We may use underwriters with whom we have a material relationship. We will describe in the prospectus supplement, naming the underwriter, the nature of any such relationship.

[Table of Contents](#)

We may sell securities directly or through agents we designate from time to time. We will name any agent involved in the offering and sale of securities, and we will describe any commissions we will pay the agent in the prospectus supplement. Unless the prospectus supplement states otherwise, our agent will act on a best-efforts basis for the period of its appointment.

We may authorize agents or underwriters to solicit offers by certain types of institutional investors to purchase securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. We will describe the conditions to these contracts and the commissions we must pay for solicitation of these contracts in the prospectus supplement.

***Dealers***

We may sell the offered securities to dealers as principals. The dealer may then resell such securities to the public either at varying prices to be determined by the dealer or at a fixed offering price agreed to with us at the time of resale.

***Institutional Purchasers***

We may authorize agents, dealers or underwriters to solicit certain institutional investors to purchase offered securities on a delayed delivery basis pursuant to delayed delivery contracts providing for payment and delivery on a specified future date. The applicable prospectus supplement or other offering materials, as the case may be, will provide the details of any such arrangement, including the offering price and commissions payable on the solicitations.

We will enter into such delayed contracts only with institutional purchasers that we approve. These institutions may include commercial and savings banks, insurance companies, pension funds, investment companies and educational and charitable institutions.

***Indemnification; Other Relationships***

We may provide agents, underwriters, dealers and remarketing firms with indemnification against certain civil liabilities, including liabilities under the Securities Act, or contribution with respect to payments that the agents or underwriters may make with respect to these liabilities. Agents, underwriters, dealers and remarketing firms, and their affiliates, may engage in transactions with, or perform services for, us in the ordinary course of business. This includes commercial banking and investment banking transactions.

***Market-Making; Stabilization and Other Transactions***

There is currently no market for any of the offered securities, other than our common stock, which is quoted on the Nasdaq Capital Market. If the offered securities are traded after their initial issuance, they may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar securities and other factors. While it is possible that an underwriter could inform us that it intends to make a market in the offered securities, such underwriter would not be obligated to do so, and any such market-making could be discontinued at any time without notice. Therefore, no assurance can be given as to whether an active trading market will develop for the offered securities. We have no current plans for listing of the debt securities, preferred stock, warrants or subscription rights on any securities exchange or quotation system; any such listing with respect to any particular debt securities, preferred stock, warrants or subscription rights will be described in the applicable prospectus supplement or other offering materials, as the case may be.

Any underwriter may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Over-allotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum price. Syndicate-covering or other short-covering transactions involve purchases of the securities, either through exercise of the over-allotment option or in the open market after the distribution is completed, to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a stabilizing or covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of the activities at any time.

[Table of Contents](#)

Any underwriters or agents that are qualified market makers on the Nasdaq Capital Market may engage in passive market making transactions in our common stock on the Nasdaq Capital Market in accordance with Regulation M under the Exchange Act, during the business day prior to the pricing of the offering, before the commencement of offers or sales of our common stock. Passive market makers must comply with applicable volume and price limitations and must be identified as passive market makers. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for such security; if all independent bids are lowered below the passive market maker's bid, however, the passive market maker's bid must then be lowered when certain purchase limits are exceeded. Passive market making may stabilize the market price of the securities at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

***Fees and Commissions***

If 5% or more of the net proceeds of any offering of securities made under this prospectus will be received by a FINRA member participating in the offering or affiliates or associated persons of such FINRA member, the offering will be conducted in accordance with FINRA Rule 5121.

## DESCRIPTION OF SECURITIES WE MAY OFFER

### General

This prospectus describes the general terms of our capital stock. The following description is not complete and may not contain all the information you should consider before investing in our capital stock. For a more detailed description of these securities, you should read the applicable provisions of Delaware law and our certificate of incorporation, as amended (the “certificate of incorporation”) and our amended and restated bylaws (the “bylaws”). When we offer to sell a particular series of these securities, we will describe the specific terms of the series in a supplement to this prospectus. Accordingly, for a description of the terms of any series of securities, you must refer to both the prospectus supplement relating to that series and the description of the securities described in this prospectus. To the extent the information contained in the prospectus supplement differs from this summary description, you should rely on the information in the prospectus supplement.

The total number of shares of capital stock we are authorized to issue is 24,020,000 shares, of which (a) 24,000,000 are common stock and (b) 20,000 are preferred stock.

We, directly or through agents, dealers or underwriters designated from time to time, may offer, issue and sell, together or separately, up to \$12,000,000 in the aggregate of:

- common stock;
- preferred stock;
- purchase contracts;
- warrants to purchase our securities;
- subscription rights to purchase our securities;
- depositary shares;
- secured or unsecured debt securities consisting of notes, debentures or other evidences of indebtedness which may be senior debt securities, senior subordinated debt securities or subordinated debt securities, each of which may be convertible into equity securities; or
- units comprised of, or other combinations of, the foregoing securities.

We may issue the debt securities as exchangeable for or convertible into shares of common stock, preferred stock or other securities that may be sold by us pursuant to this prospectus or any combination of the foregoing. The preferred stock may also be exchangeable for and/or convertible into shares of common stock, another series of preferred stock or other securities that may be sold by us pursuant to this prospectus or any combination of the foregoing. When a particular series of securities is offered, a supplement to this prospectus will be delivered with this prospectus, which will set forth the terms of the offering and sale of the offered securities.

### Common Stock

As of September 3, 2015, there were 8,720,878 shares of common stock issued and outstanding, held of record by approximately 1,019 stockholders. Subject to preferential rights with respect to any outstanding preferred stock, all outstanding shares of common stock are of the same class and have equal rights and attributes.

#### *Dividend Rights*

Holders of the common stock may receive dividends when, as and if declared by our board of directors out of the assets legally available for that purpose and subject to the preferential dividend rights of any other classes or series of stock of our Company. We have never paid, and have no plans to pay, any dividends on our shares of common stock.

#### *Voting Rights*

Holders of the common stock are entitled to one vote per share in all matters as to which holders of common stock are entitled to vote. Holders of not less than a majority of the outstanding shares of common stock entitled to vote at any meeting of stockholders constitute a quorum unless otherwise required by law.

## [Table of Contents](#)

### *Election of Directors*

Directors hold office until the next annual meeting of stockholders and are eligible for re-election at such meeting. Directors are elected by a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. There is no cumulative voting for directors.

### *Liquidation*

In the event of any liquidation, dissolution or winding up of the Company, holders of the common stock have the right to receive ratably and equally all of the assets remaining after payment of liabilities and liquidation preferences of any preferred stock then outstanding.

### *Redemption*

The common stock is not redeemable or convertible and does not have any sinking fund provisions.

### *Preemptive Rights*

Holders of the common stock do not have preemptive rights.

### *Other Rights*

Our common stock is not liable to further calls or to assessment by the registrant and for liabilities of the registrant imposed on its stockholders under state statutes.

### *Right to Amend Bylaws*

The board of directors has the power to adopt, amend or repeal the bylaws. Bylaws adopted by the board of directors may be repealed or changed, and new bylaws made, by the stockholders, and the stockholders may prescribe that any bylaw made by them shall not be altered, amended or repealed by the board of directors.

### *Change in Control*

Provisions of Delaware law and our certificate of incorporation and bylaws could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include:

Section 203 of the DGCL, which prohibits a merger with a 15%-or-greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15%-or-greater stockholder;

The authorization in our certificate of incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover; and

Provisions in our bylaws regarding stockholders' rights to call a special meeting of stockholders limit such rights to stockholders holding together at least a majority of shares of the Company entitled to vote at the meeting, which could make it more difficult for stockholders to wage a proxy contest for control of our board of directors or to vote to repeal any of the anti-takeover provisions contained in our certificate of incorporation and bylaws.

Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock.

### *Market, Symbol and Transfer Agent*

Our common stock is listed for trading on the Nasdaq Capital Market under the symbol "ITUS". The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company.



[Table of Contents](#)

**Preferred Stock**

Our certificate of incorporation, as amended, empowers our board of directors, without action by our shareholders, to issue up to 20,000 shares of preferred stock from time to time in one or more series, which preferred stock may be offered by this prospectus and supplements thereto. As of September 3, 2015, 140 shares of Series A convertible preferred stock (the “Series A preferred stock”), were designated and outstanding. Our board may fix the rights, preferences, privileges, and restrictions of our authorized but undesignated preferred shares, including:

We will fix the rights, preferences, privileges and restrictions of the preferred stock of each series in the certificate of designation relating to that series. We will file as an exhibit to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, the form of any certificate of designation that describes the terms of the series of preferred stock we are offering before the issuance of the related series of preferred stock. This description will include any or all of the following, as required:

- the title and stated value;
- the number of shares we are offering;
- the liquidation preference per share;
- the purchase price;
- the dividend rate, period and payment date and method of calculation for dividends;
- whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;
- any contractual limitations on our ability to declare, set aside or pay any dividends;
- the procedures for any auction and remarketing, if any;
- the provisions for a sinking fund, if any;
- the provisions for redemption or repurchase, if applicable, and any restrictions on our ability to exercise those redemption and repurchase rights;
- any listing of the preferred stock on any securities exchange or market;
- whether the preferred stock will be convertible into our common stock, and, if applicable, the conversion price, or how it will be calculated, and the conversion period;
- whether the preferred stock will be exchangeable into debt securities, and, if applicable, the exchange price, or how it will be calculated, and the exchange period;
- voting rights, if any, of the preferred stock;
- preemptive rights, if any;
- restrictions on transfer, sale or other assignment, if any;
- whether interests in the preferred stock will be represented by depositary shares;
- a discussion of any material or special United States federal income tax considerations applicable to the preferred stock;
- the relative ranking and preferences of the preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs;

- any limitations on issuance of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs; and
- any other specific terms, preferences, rights or limitations of, or restrictions on, the preferred stock.

## [Table of Contents](#)

If we issue shares of preferred stock under this prospectus, after receipt of payment therefor, the shares will be fully paid and non-assessable.

The Delaware General Corporation Law provides that the holders of preferred stock will have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of that preferred stock. This right is in addition to any voting rights provided for in the applicable certificate of designation.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. Preferred stock could be issued quickly with terms designed to delay or prevent a change in control of our Company or make removal of management more difficult. Additionally, the issuance of preferred stock could have the effect of decreasing the market price of our common stock.

### *Series A Convertible Preferred Stock*

#### *Conversion*

The Series A preferred stock is convertible into shares of common stock at any time following issuance at the option of the holder (subject to certain limitations described below). Each share of Series A preferred stock is convertible into approximately 5,285.4 shares of common stock pursuant to the terms of the Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock, or the Certificate of Designations. Such ratio is calculated by dividing the stated value of each share of Series A preferred stock (\$25,000) by \$4.73.

#### *Ranking; Dividends*

The Company may not, directly or indirectly, incur any indebtedness or create a new class of equity that is expressly senior in right of payment to the Series A preferred stock without prior written consent of at least two-thirds of the outstanding Series A preferred stock holders.

The Series A preferred stock holders are not entitled to receive cash dividends. In the event that the Company declares a stock dividend or otherwise makes a distribution to the common stock holders, the terms of the Series A preferred stock will be adjusted proportionately so that the holder after such dividend or distribution will be entitled to receive the aggregate number and kind of shares, evidences, rights, options, warrants or securities which, the holder would have owned if the Series A preferred stock had been converted immediately prior to the time of the distribution.

#### *Subsequent Equity Sales*

In the event that the Company issues additional shares of common stock and/or any rights, warrants, options or other securities or debt convertible, exercisable or exchangeable for shares of common stock or otherwise entitling any person to acquire shares of common stock in connection with a financing pursuant to which the effective net price to the Company for such securities, or the Effective Price, is less than 75% of the then conversion price, then subject to certain exceptions set forth in the Certificate of Designations, the conversion price will be reduced to the Effective Price.

#### *Maximum Conversion*

The Company will not effect any conversion of the Series A preferred stock if after giving effect to such conversion, the holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act) on an as-converted basis with the common stock in excess of 4.99%, or the Maximum Percentage, of the number of shares of common stock outstanding immediately after giving effect to such conversion. A holder may increase the Maximum Percentage by providing written notice to the Company of its intention to exceed the Maximum Percentage at a time no earlier than 60 days after such notice.

#### *Board and Observer Rights*

For so long as any holder of Series A preferred stock beneficially owns at least 2,000,000 shares of common stock, such holder has the right to designate one representative, reasonably acceptable to the Company as a board observer, to the Company's board of directors. In lieu of the right to designate an observer to the board of directors, the holder may designate one representative, reasonably acceptable to the Company, to serve on the board of directors.

[Table of Contents](#)

*Redemption; Mandatory Conversion*

Upon at least 60 days prior written notice to the Company, on November 11, 2016, any holder of Series A preferred stock has a one-time right to require the Company to redeem all or some of its shares of Series A preferred stock for cash that is specifically generated from the sale of the Company's equity securities. The redemption price per share is equal to the "stated value."

After November 11, 2016, the Company has the right to convert any outstanding shares of Series A preferred stock into shares of common stock, subject to certain volume restrictions, if the average of the high and low trading price of the common stock for any 10 out of 20 consecutive trading days exceeds the then conversion price.

*Liquidation Preference*

In the event of a liquidation, dissolution or winding up of the Company, then the holders of the Series A preferred stock are entitled to receive out of the assets of the Company legally available for distribution, prior to and in preference to distributions to the holders of common stock and either in preference to or pari pasu with the holders of any other series of preferred stock that may be issued in the future, an amount equal to the "stated value" of the Series A preferred stock. The remaining assets of the Company will then be distributed to the holders of the Series A preferred stock and the holders of the common stock on an as converted basis.

*Other Provisions*

This section is a summary and may not describe every aspect of the common stock and Series A preferred stock that may be important to you. We urge you to read applicable Delaware law, our certificate of incorporation, including the Certificate of Designations, and bylaws, because they, and not this description, define your rights as a holder of common stock.

**Purchase Contracts**

We may issue purchase contracts, representing contracts obligating holders to purchase from us, and us to sell to the holders, a specific or varying number of common stock, preferred stock, warrants, depositary shares, debt securities, warrants or any combination of the above, at a future date or dates. Alternatively, the purchase contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specific or varying number of common stock, preferred stock, warrants, depositary shares, debt securities, or any combination of the above. The price of the securities and other property subject to the purchase contracts may be fixed at the time the purchase contracts are issued or may be determined by reference to a specific formula set forth in the purchase contracts. The purchase contracts may be issued separately or as a part of a unit that consists of (a) a purchase contract and (b) one or more of the other securities that may be sold by us pursuant to this prospectus or any combination of the foregoing, which may secure the holders' obligations to purchase the securities under the purchase contract. The purchase contracts may require us to make periodic payments to the holders or require the holders to make periodic payments to us. These payments may be unsecured or prefunded and may be paid on a current or on a deferred basis. The purchase contracts may require holders to secure their obligations under the contracts in a manner specified in the applicable prospectus supplement.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, forms of the purchase contracts and purchase contract agreement, if any. The applicable prospectus supplement will describe the terms of any purchase contracts in respect of which this prospectus is being delivered, including, to the extent applicable, the following:

- whether the purchase contracts obligate the holder or us to purchase or sell, or both purchase and sell, the securities subject to purchase under the purchase contract, and the nature and amount of each of those securities, or the method of determining those amounts;
- whether the purchase contracts are to be prepaid or not;

## [Table of Contents](#)

- whether the purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of the securities subject to purchase under the purchase contract;
- any acceleration, cancellation, termination or other provisions relating to the settlement of the purchase contracts; and
- whether the purchase contracts will be issued in fully registered or global form.

## **Warrants**

We may issue warrants to purchase our securities or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing. Warrants may be issued independently or together with any other securities that may be sold by us pursuant to this prospectus or any combination of the foregoing and may be attached to, or separate from, such securities. To the extent warrants that we issue are to be publicly-traded, each series of such warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, forms of the warrant and warrant agreement, if any. The prospectus supplement relating to any warrants that we may offer will contain the specific terms of the warrants and a description of the material provisions of the applicable warrant agreement, if any. These terms may include the following:

- the title of the warrants;
- the price or prices at which the warrants will be issued;
- the designation, amount and terms of the securities or other rights for which the warrants are exercisable;
- the designation and terms of the other securities, if any, with which the warrants are to be issued and the number of warrants issued with each other security;
- the aggregate number of warrants;
- any provisions for adjustment of the number or amount of securities receivable upon exercise of the warrants or the exercise price of the warrants;
- the price or prices at which the securities or other rights purchasable upon exercise of the warrants may be purchased;
- if applicable, the date on and after which the warrants and the securities or other rights purchasable upon exercise of the warrants will be separately transferable;
- a discussion of any material U.S. federal income tax considerations applicable to the exercise of the warrants;
- the date on which the right to exercise the warrants will commence, and the date on which the right will expire;
- the maximum or minimum number of warrants that may be exercised at any time;
- information with respect to book-entry procedures, if any; and
- any other terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants.

*Exercise of Warrants.* Each warrant will entitle the holder of warrants to purchase the amount of securities or other rights, at the exercise price stated or determinable in the prospectus supplement for the warrants. Warrants may be exercised at any time up to the close of business on the expiration date shown in the applicable prospectus supplement, unless otherwise specified in such prospectus supplement. After the close of business on the expiration date, if applicable, unexercised warrants will become void. Warrants may be exercised in the manner described in the applicable prospectus supplement. When the warrant holder makes the payment and properly completes and signs the warrant certificate at the corporate trust office of the warrant agent, if any, or any other office indicated in the prospectus supplement, we will, as soon as possible, forward the securities or other rights that the warrant holder has purchased. If the warrant holder exercises less than all of the warrants represented by the warrant certificate, we will issue a new warrant certificate for the remaining warrants.



## Subscription Rights

We may issue rights to purchase our securities. The rights may or may not be transferable by the persons purchasing or receiving the rights. In connection with any rights offering, we may enter into a standby underwriting or other arrangement with one or more underwriters or other persons pursuant to which such underwriters or other persons would purchase any offered securities remaining unsubscribed for after such rights offering. In connection with a rights offering to holders of our capital stock a prospectus supplement will be distributed to such holders on the record date for receiving rights in the rights offering set by us.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, forms of the subscription rights, standby underwriting agreement or other agreements, if any. The prospectus supplement relating to any rights that we offer will include specific terms relating to the offering, including, among other matters:

- the date of determining the security holders entitled to the rights distribution;
- the aggregate number of rights issued and the aggregate amount of securities purchasable upon exercise of the rights;
- the exercise price;
- the conditions to completion of the rights offering;
- the date on which the right to exercise the rights will commence and the date on which the rights will expire; and
- any applicable federal income tax considerations.

Each right would entitle the holder of the rights to purchase the principal amount of securities at the exercise price set forth in the applicable prospectus supplement. Rights may be exercised at any time up to the close of business on the expiration date for the rights provided in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised rights will become void.

Holders may exercise rights as described in the applicable prospectus supplement. Upon receipt of payment and the rights certificate properly completed and duly executed at the corporate trust office of the rights agent, if any, or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward the securities purchasable upon exercise of the rights. If less than all of the rights issued in any rights offering are exercised, we may offer any unsubscribed securities directly to persons other than stockholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby underwriting arrangements, as described in the applicable prospectus supplement.

## Depositary Shares

*General.* We may offer fractional shares of preferred stock, rather than full shares of preferred stock. If we decide to offer fractional shares of our preferred stock, we will issue receipts for depositary shares. Each depositary share will represent a fraction of a share of a particular series of our preferred stock, and the applicable prospectus supplement will indicate that fraction. The shares of preferred stock represented by depositary shares will be deposited under a deposit agreement between us and a depositary that is a bank or trust company that meets certain requirements and is selected by us. The depositary will be specified in the applicable prospectus supplement. Each owner of a depositary share will be entitled to all of the rights and preferences of the preferred stock represented by the depositary share. The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of our preferred stock in accordance with the terms of the offering. We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, forms of the deposit agreement, form of certificate of designation of underlying preferred stock, form of depositary receipts and any other related agreements.

[Table of Contents](#)

*Dividends and Other Distributions.* The depositary will distribute all cash dividends or other cash distributions received by it in respect of the preferred stock to the record holders of depositary shares relating to such preferred shares in proportion to the numbers of depositary shares held on the relevant record date.

In the event of a distribution other than in cash, the depositary will distribute securities or property received by it to the record holders of depositary shares in proportion to the numbers of depositary shares held on the relevant record date, unless the depositary determines that it is not feasible to make such distribution. In that case, the depositary may make the distribution by such method as it deems equitable and practicable. One such possible method is for the depositary to sell the securities or property and then distribute the net proceeds from the sale as provided in the case of a cash distribution.

*Redemption of Depositary Shares.* Whenever we redeem the preferred stock, the depositary will redeem a number of depositary shares representing the same number of shares of preferred stock so redeemed. If fewer than all of the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot, pro rata or by any other equitable method as the depositary may determine.

*Voting of Underlying Shares.* Upon receipt of notice of any meeting at which the holders of our preferred stock of any series are entitled to vote, the depositary will mail the information contained in the notice of the meeting to the record holders of the depositary shares relating to that series of preferred stock. Each record holder of the depositary shares on the record date will be entitled to instruct the depositary as to the exercise of the voting rights represented by the number of shares of preferred stock underlying the holder's depositary shares. The depositary will endeavor, to the extent it is practical to do so, to vote the number of whole shares of preferred stock underlying such depositary shares in accordance with such instructions. We will agree to take all action that the depositary may deem reasonably necessary in order to enable the depositary to do so. To the extent the depositary does not receive specific instructions from the holders of depositary shares relating to such preferred shares, it will abstain from voting such shares of preferred stock.

*Withdrawal of Shares.* Upon surrender of depositary receipts representing any number of whole shares at the depositary's office, unless the related depositary shares previously have been called for redemption, the holder of the depositary shares evidenced by the depositary receipts will be entitled to delivery of the number of whole shares of the related series of preferred stock and all money and other property, if any, underlying such depositary shares. However, once such an exchange is made, the preferred stock cannot thereafter be re-deposited in exchange for depositary shares. Holders of depositary shares will be entitled to receive whole shares of the related series of preferred stock on the basis set forth in the applicable prospectus supplement. If the depositary receipts delivered by the holder evidence a number of depositary shares representing more than the number of whole shares of preferred stock of the related series to be withdrawn, the depositary will deliver to the holder at the same time a new depositary receipt evidencing the excess number of depositary shares.

*Amendment and Termination of Depositary Agreement.* The form of depositary receipt evidencing the depositary shares and any provision of the applicable depositary agreement may at any time be amended by agreement between us and the depositary. We may, with the consent of the depositary, amend the depositary agreement from time to time in any manner that we desire. However, if the amendment would materially and adversely alter the rights of the existing holders of depositary shares, the amendment would need to be approved by the holders of at least a majority of the depositary shares then outstanding.

The depositary agreement may be terminated by us or the depositary if:

- all outstanding depositary shares have been redeemed; or
- there has been a final distribution in respect of the shares of preferred stock of the applicable series in connection with our liquidation, dissolution or winding up and such distribution has been made to the holders of depositary receipts.



## [Table of Contents](#)

*Resignation and Removal of Depositary.* The depositary may resign at any time by delivering to us notice of its election to do so. We may remove a depositary at any time. Any resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of appointment.

*Charges of Depositary.* We will pay all transfer and other taxes and governmental charges arising solely from the existence of any depositary arrangements. We will pay all charges of each depositary in connection with the initial deposit of the preferred shares of any series, the initial issuance of the depositary shares, any redemption of such preferred shares and any withdrawals of such preferred shares by holders of depositary shares. Holders of depositary shares will be required to pay any other transfer taxes.

*Notices.* Each depositary will forward to the holders of the applicable depositary shares all notices, reports and communications from us which are delivered to such depositary and which we are required to furnish the holders of the preferred stock represented by such depositary shares.

*Miscellaneous.* The depositary agreement may contain provisions that limit our liability and the liability of the depositary to the holders of depositary shares. Both the depositary and we are also entitled to an indemnity from the holders of the depositary shares prior to bringing, or defending against, any legal proceeding. We or any depositary may rely upon written advice of counsel or accountants, or information provided by persons presenting preferred shares for deposit, holders of depositary shares or other persons believed by us to be competent and on documents believed by us or them to be genuine.

## **Debt Securities**

As used in this prospectus, the term “debt securities” means the debentures, notes, bonds and other evidences of indebtedness that we may issue from time to time. The debt securities will either be senior debt securities, senior subordinated debt or subordinated debt securities. We may also issue convertible debt securities. Debt securities may be issued under an indenture (which we refer to herein as an Indenture), which are contracts entered into between us and a trustee to be named therein. The Indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part. We may issue debt securities and incur additional indebtedness other than through the offering of debt securities pursuant to this prospectus. It is likely that convertible debt securities will not be issued under an Indenture.

The debt securities may be fully and unconditionally guaranteed on a secured or unsecured senior or subordinated basis by one or more guarantors, if any. The obligations of any guarantor under its guarantee will be limited as necessary to prevent that guarantee from constituting a fraudulent conveyance under applicable law. In the event that any series of debt securities will be subordinated to other indebtedness that we have outstanding or may incur, the terms of the subordination will be set forth in the prospectus supplement relating to the subordinated debt securities.

We may issue debt securities from time to time in one or more series, in each case with the same or various maturities, at par or at a discount. Unless indicated in a prospectus supplement, we may issue additional debt securities of a particular series without the consent of the holders of the debt securities of such series outstanding at the time of the issuance. Any such additional debt securities, together with all other outstanding debt securities of that series, will constitute a single series of debt securities under the applicable Indenture and will be equal in ranking.

Should an Indenture relate to unsecured indebtedness, in the event of a bankruptcy or other liquidation event involving a distribution of assets to satisfy our outstanding indebtedness or an event of default under a loan agreement relating to secured indebtedness of our company or its subsidiaries, the holders of such secured indebtedness, if any, would be entitled to receive payment of principal and interest prior to payments on the unsecured indebtedness issued under an Indenture.

Each prospectus supplement will describe the terms relating to the specific series of debt securities. These terms will include some or all of the following:

- the title of debt securities and whether the debt securities are senior or subordinated;
- any limit on the aggregate principal amount of debt securities of such series;

## [Table of Contents](#)

- the percentage of the principal amount at which the debt securities of any series will be issued;
- the ability to issue additional debt securities of the same series;
- the purchase price for the debt securities and the denominations of the debt securities;
- the specific designation of the series of debt securities being offered;
- the maturity date or dates of the debt securities and the date or dates upon which the debt securities are payable and the rate or rates at which the debt securities of the series shall bear interest, if any, which may be fixed or variable, or the method by which such rate shall be determined;
- the basis for calculating interest;
- the date or dates from which any interest will accrue or the method by which such date or dates will be determined;
- the duration of any deferral period, including the period during which interest payment periods may be extended;
- whether the amount of payments of principal of (and premium, if any) or interest on the debt securities may be determined with reference to any index, formula or other method, such as one or more currencies, commodities, equity indices or other indices, and the manner of determining the amount of such payments;
- the dates on which we will pay interest on the debt securities and the regular record date for determining who is entitled to the interest payable on any interest payment date;
- the place or places where the principal of (and premium, if any) and interest on the debt securities will be payable, where any securities may be surrendered for registration of transfer, exchange or conversion, as applicable, and notices and demands may be delivered to or upon us pursuant to the applicable Indenture;
- the rate or rates of amortization of the debt securities;
- any terms for the attachment to the debt securities of warrants, options or other rights to purchase or sell our securities;
- if the debt securities will be secured by any collateral and, if so, a general description of the collateral and the terms and provisions of such collateral security, pledge or other agreements;
- if we possess the option to do so, the periods within which and the prices at which we may redeem the debt securities, in whole or in part, pursuant to optional redemption provisions, and the other terms and conditions of any such provisions;
- our obligation or discretion, if any, to redeem, repay or purchase debt securities by making periodic payments to a sinking fund or through an analogous provision or at the option of holders of the debt securities, and the period or periods within which and the price or prices at which we will redeem, repay or purchase the debt securities, in whole or in part, pursuant to such obligation, and the other terms and conditions of such obligation;
- the terms and conditions, if any, regarding the option or mandatory conversion or exchange of debt securities;
- the period or periods within which, the price or prices at which and the terms and conditions upon which any debt securities of the series may be redeemed, in whole or in part at our option and, if other than by a board resolution, the manner in which any election by us to redeem the debt securities shall be evidenced;
- any restriction or condition on the transferability of the debt securities of a particular series;
- the portion, or methods of determining the portion, of the principal amount of the debt securities which we must pay upon the acceleration of the maturity of the debt securities in connection with any event of default;
- the currency or currencies in which the debt securities will be denominated and in which principal, any premium and any interest will or may be payable or a description of any units based on or relating to a currency or currencies in which the debt securities will

be denominated;

## [Table of Contents](#)

- provisions, if any, granting special rights to holders of the debt securities upon the occurrence of specified events;
- any deletions from, modifications of or additions to the events of default or our covenants with respect to the applicable series of debt securities, and whether or not such events of default or covenants are consistent with those contained in the applicable Indenture;
- any limitation on our ability to incur debt, redeem stock, sell our assets or other restrictions;
- the application, if any, of the terms of the applicable Indenture relating to defeasance and covenant defeasance (which terms are described below) to the debt securities;
- what subordination provisions will apply to the debt securities;
- the terms, if any, upon which the holders may convert or exchange the debt securities into or for our securities or property;
- whether we are issuing the debt securities in whole or in part in global form;
- any change in the right of the trustee or the requisite holders of debt securities to declare the principal amount thereof due and payable because of an event of default;
- the depository for global or certificated debt securities, if any;
- any material federal income tax consequences applicable to the debt securities, including any debt securities denominated and made payable, as described in the prospectus supplements, in foreign currencies, or units based on or related to foreign currencies;
- any right we may have to satisfy, discharge and defease our obligations under the debt securities, or terminate or eliminate restrictive covenants or events of default in the Indentures, by depositing money or U.S. government obligations with the trustee of the Indentures;
- the names of any trustees, depositories, authenticating or paying agents, transfer agents or registrars or other agents with respect to the debt securities;
- to whom any interest on any debt security shall be payable, if other than the person in whose name the security is registered, on the record date for such interest, the extent to which, or the manner in which, any interest payable on a temporary global debt security will be paid;
- if the principal of or any premium or interest on any debt securities is to be payable in one or more currencies or currency units other than as stated, the currency, currencies or currency units in which it shall be paid and the periods within and terms and conditions upon which such election is to be made and the amounts payable (or the manner in which such amount shall be determined);
- the portion of the principal amount of any debt securities which shall be payable upon declaration of acceleration of the maturity of the debt securities pursuant to the applicable Indenture;
- if the principal amount payable at the stated maturity of any debt security of the series will not be determinable as of any one or more dates prior to the stated maturity, the amount which shall be deemed to be the principal amount of such debt securities as of any such date for any purpose, including the principal amount thereof which shall be due and payable upon any maturity other than the stated maturity or which shall be deemed to be outstanding as of any date prior to the stated maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined); and
- any other specific terms of the debt securities, including any modifications to the events of default under the debt securities and any other terms which may be required by or advisable under applicable laws or regulations.

Unless otherwise specified in the applicable prospectus supplement, we do not anticipate the debt securities will be listed on any securities exchange. Holders of the debt securities may present registered debt securities for exchange or transfer in the manner described in the applicable prospectus supplement. Except as limited by the applicable Indenture, we will provide these services without charge, other than any tax or other governmental charge payable in connection with the exchange or transfer.



[Table of Contents](#)

Debt securities may bear interest at a fixed rate or a variable rate as specified in the prospectus supplement. In addition, if specified in the prospectus supplement, we may sell debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate, or at a discount below their stated principal amount. We will describe in the applicable prospectus supplement any special federal income tax considerations applicable to these discounted debt securities.

We may issue debt securities with the principal amount payable on any principal payment date, or the amount of interest payable on any interest payment date, to be determined by referring to one or more currency exchange rates, commodity prices, equity indices or other factors. Holders of such debt securities may receive a principal amount on any principal payment date, or interest payments on any interest payment date, that are greater or less than the amount of principal or interest otherwise payable on such dates, depending upon the value on such dates of applicable currency, commodity, equity index or other factors. The applicable prospectus supplement will contain information as to how we will determine the amount of principal or interest payable on any date, as well as the currencies, commodities, equity indices or other factors to which the amount payable on that date relates and certain additional tax considerations.

**Units**

We may issue units consisting of any combination of the other types of securities offered under this prospectus in one or more series. We may evidence each series of units by unit certificates that we may issue under a separate agreement. We may enter into unit agreements with a unit agent. Each unit agent, if any, may be a bank or trust company that we select. We will indicate the name and address of the unit agent, if any, in the applicable prospectus supplement relating to a particular series of units. Specific unit agreements, if any, will contain additional important terms and provisions. We will file as an exhibit to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report that we file with the SEC, the form of unit and the form of each unit agreement, if any, relating to units offered under this prospectus.

If we offer any units, certain terms of that series of units will be described in the applicable prospectus supplement, including, without limitation, the following, as applicable

- the title of the series of units;
- identification and description of the separate constituent securities comprising the units;
- the price or prices at which the units will be issued;
- the date, if any, on and after which the constituent securities comprising the units will be separately transferable;
- a discussion of certain United States federal income tax considerations applicable to the units; and
- any other material terms of the units and their constituent securities.

## FORMS OF SECURITIES

Each security may be represented either by a certificate issued in definitive form to a particular investor or by one or more global securities representing the entire issuance of securities. Certificated securities in definitive form and global securities will be issued in registered form. Definitive securities name you or your nominee as the owner of the security, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable. Global securities name a depositary or its nominee as the owner of the debt securities, warrants or units represented by these global securities. The depositary maintains a computerized system that will reflect each investor's beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.

### *Registered Global Securities*

We may issue the securities in the form of one or more fully registered global securities that will be deposited with a depositary or its nominee identified in the applicable prospectus supplement and registered in the name of that depositary or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depositary for the registered global security, the nominees of the depositary or any successors of the depositary or those nominees.

The specific terms of the depositary arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depositary arrangements.

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depositary or persons that may hold interests through participants. Upon the issuance of a registered global security, the depositary will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depositary, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some states may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities.

So long as the depositary, or its nominee, is the registered owner of a registered global security, that depositary or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the applicable indenture, warrant agreement or unit agreement.

Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the applicable indenture, warrant agreement or unit agreement. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depositary for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the applicable indenture, warrant agreement or unit agreement. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the applicable indenture, warrant agreement or unit agreement, the depositary for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

[Table of Contents](#)

Payments to holders with respect to securities represented by a registered global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global security. None of the Company, the trustees, the warrant agents, the unit agents or any other agent of the Company, agent of the trustees, the warrant agents or unit agents will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other payment or distribution to holders of that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers or registered in "street name," and will be the responsibility of those participants.

If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act and a successor depositary registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the relevant trustee, warrant agent, unit agent or other relevant agent of ours or theirs. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.



## LEGAL MATTERS

Unless otherwise indicated in the applicable prospectus supplement, the validity of the securities offered by this prospectus will be passed upon for us by Ellenoff Grossman & Schole LLP, New York, New York. If legal matters in connection with offerings made by this prospectus are passed on by counsel for the underwriters, dealers or agents, if any, that counsel will be named in the applicable prospectus supplement.

## EXPERTS

The consolidated financial statements of ITUS Corporation and subsidiaries as of and for the years ended October 31, 2014 and 2013 have been incorporated by reference in the registration statement in reliance upon the report of Haskell & White LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarter and periodic reports, proxy statements and other information with the Securities and Exchange Commission using the Commission's EDGAR system. You may inspect these documents and copy information from them at the Commission's offices at public reference room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The Commission maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of such site is <http://www.sec.gov>.

## INCORPORATION OF DOCUMENTS BY REFERENCE

We are "incorporating by reference" in this prospectus certain documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus. Statements contained in documents that we file with the SEC and that are incorporated by reference in this prospectus will automatically update and supersede information contained in this prospectus, including information in previously filed documents or reports that have been incorporated by reference in this prospectus, to the extent the new information differs from or is inconsistent with the old information. We have filed or may file the following documents with the SEC and they are incorporated herein by reference as of their respective dates of filing.

1. Our Annual Report on Form 10-K for the year ended October 31, 2014, filed with the SEC on January 29, 2015, as amended on Form 10-K/A and filed with the SEC on January 29, 2015;
2. Our Quarterly Reports on Form 10-Q for the quarters ended January 31, 2015, April 30, 2015 and July 31, 2015, as filed with the SEC on March 9, 2015, May 22, 2015 and August 18, 2015, respectively;
3. Our Definitive Proxy Statement on Schedule 14A filed with the SEC on July 16, 2015;
4. Our Current Reports on Form 8-K filed with the SEC on February 5, 2015, June 23, 2015, June 25, 2015, July 9, 2015 and September 1, 2015; and
5. The description of our common stock contained in our Current Report on Form 8-K filed on March 31, 2014 and as it may further be amended from time to time.

All documents that we filed with the SEC pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act subsequent to the date of this registration statement and prior to the filing of a post-effective amendment to this registration statement that indicates that all securities offered under this prospectus have been sold, or that deregisters all securities then remaining unsold, will be deemed to be incorporated in this registration statement by reference and to be a part hereof from the date of filing of such documents.

## [Table of Contents](#)

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed modified, superseded or replaced for purposes of this prospectus to the extent that a statement contained in this prospectus, or in any subsequently filed document that also is deemed to be incorporated by reference in this prospectus, modifies, supersedes or replaces such statement. Any statement so modified, superseded or replaced shall not be deemed, except as so modified, superseded or replaced, to constitute a part of this prospectus. None of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K or any corresponding information, either furnished under Item 9.01 or included as an exhibit therein, that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus, except as otherwise expressly set forth in the relevant document. Subject to the foregoing, all information appearing in this prospectus is qualified in its entirety by the information appearing in the documents incorporated by reference.

You may requests, orally or in writing, a copy of these documents, which will be provided to you at no cost (other than exhibits, unless such exhibits are specifically incorporate by reference), by contacting Robert A. Berman, c/o ITUS Corporation, at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, CA 90025. Our telephone number is (310) 484-5200. Information about us is also available at our website at <http://www.ITUScorp.com>. However, the information in our website is not a part of this prospectus and is not incorporated by reference.

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**ITUS CORPORATION**  
**3,500,000 Shares of Common Stock**

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**PRELIMINARY PROSPECTUS SUPPLEMENT**

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**Dawson James Securities, Inc.**  
May 15, 2017

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