

FINJAN HOLDINGS, INC.
Form S-1/A
January 21, 2014

As filed with the Securities and Exchange Commission on January 21, 2014
Registration No. 333-189984

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FINJAN HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(state or Other Jurisdiction of
Incorporation or Organization)

6719
(Primary Standard Industrial
Classification Code Number)

20-4075963
(I.R.S. Employer
Identification Number)

122 East 42nd Street
New York, New York 10168
(646) 755-3320

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Copies of all communications, including communications sent to agent for service, should be sent to:

Elliot Press
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Tel.: (212) 940-6348

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement. If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. S

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)(2)	Proposed Maximum Offering Price Per Share (2)(3)	Proposed Maximum Aggregate Offering(2)	Amount of Registration Fee(4)
Common Stock, \$0.0001 par value per share	21,556,447 Shares	\$12.00	\$258,677,364	\$35,283.58

(1) This Registration Statement also registers such additional and indeterminable number of shares as may be issuable due to adjustment for changes resulting from stock dividends, stock splits and similar transactions, pursuant to Rule 416 under the Securities Act of 1933, as amended.

(2) Gives effect to a 1-for-12 reverse stock split that became effective on August 22, 2013.


(3) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to 457(c) based on the average of the bid and asked prices of the common stock reported on the OTCQB tier of OTC Markets on July 10, 2013, which is 4 business days prior to the date upon which this Registration Statement was originally filed.

(4) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the

Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell, nor does it seek an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

 SUBJECT TO COMPLETION, DATED JANUARY 21, 2014

21,556,447 Shares
FINJAN HOLDINGS, INC.
Common Stock

This prospectus relates to the offer and resale or other disposition from time to time by the selling stockholders of up to 21,556,447 shares of the common stock, par value \$0.0001 per share, of Finjan Holdings, Inc. a Delaware corporation. We will not receive any proceeds from the sale of shares held by the selling stockholders.

The selling stockholders may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of our common stock or interests in shares of our common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions, as set forth in this prospectus under “Plan of Distribution.” These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. If these shares are sold through underwriters, broker-dealers or agents, the selling stockholders will be responsible for underwriting discounts or commissions or agents’ commissions. We have agreed to pay all costs and expenses of this registration.

Our common stock is quoted on the OTC Bulletin Board and OTC Markets – OTCQB tier under the symbol “FNJN.” We effected a 1-for-12 reverse stock split of our common stock, and our common stock commenced trading on a post-split basis, on August 22, 2013. On January 16, 2014 the last reported closing bid price for our common stock as reported on the OTCQB tier of the OTC Markets was \$ 5.50 per share. These over-the-counter quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. You are urged to obtain current market quotations of the common stock.

Investing in our securities involves a high degree of risk.
See “Risk Factors” beginning on page 11 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities offered hereby 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 _____, 2014

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission (the “SEC”). You should rely only upon the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell or a solicitation of offers to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or solicitation of offers to buy securities in any jurisdiction where, or in any circumstances in which, such offer or solicitation is unlawful.

You should assume the information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create an implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date. Our business, financial condition, results of operations and prospects may have changed since date of this prospectus. The rules of the SEC may require us to update this prospectus in the future.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It may not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including the “Risk Factors” and the financial statements and related notes included herein. This prospectus includes forward-looking statements that involve risks and uncertainties. See “Cautionary Note Regarding Forward-Looking Statements.”

Unless the context otherwise requires or where otherwise indicated (i) “we,” “our,” “us,” “our company,” “the company” and similar expressions used in this prospectus refer to Finjan Holdings, Inc. (formerly Converted Organics, Inc.) and its consolidated subsidiaries, collectively; (ii) the term “Finjan” refers to Finjan, Inc., one of our wholly-owned subsidiaries, which we acquired in the acquisition completed on June 3, 2013; and (iii) the term “Converted Organics” refers to Converted Organics of California LLC and its subsidiaries, which we owned prior to our acquisition of Finjan.

Throughout this prospectus, we refer to the business we conduct through Finjan as our “online security technology business” and we refer to the business we conduct through Converted Organics as our “organic fertilizer business.”

We effected a 1-for-12 reverse stock split of our common stock on August 22, 2013. Throughout this prospectus, all share and per share information is presented on an “as adjusted” basis, giving effect to the 1-for-12 reverse stock split, unless otherwise indicated or the context otherwise requires.

Our Business

Overview

Effective as of June 3, 2013, the date we consummated a reverse acquisition of Finjan and changed our name from “Converted Organics, Inc.” to “Finjan Holdings, Inc.,” we operate two businesses, each of which constitutes a separate reportable segment. Our two reportable segments include: our web and network security technology segment, which we operate through Finjan, and our organic fertilizer segment, which we operate through Converted Organics. Finjan is considered the acquirer for accounting purposes in the reverse acquisition and we account for the transaction as a reverse business combination. Consequently, the assets and liabilities and the historical operations that are reflected in our historical financial statements are those of Finjan. The results of operations of our organic fertilizer segment have been included in our assets and liabilities and our historical operations since June 3, 2013, the date we completed the reverse acquisition.

During the year ended December 31, 2012, we generated revenues and net income of approximately \$ 89.0 million and \$51.0 million, respectively. Approximately \$ 85.9 million of our revenue and net income during such year was derived from settlements, all of which were generated by Finjan. During the nine months ended September 30, 2013, we generated revenues and net loss of approximately \$1.6 million and \$3.3 million, respectively. Approximately \$1.0 million of our revenue during the nine months ended September 30, 2013 was derived from a licensing agreement achieved in a settlement and approximately \$0.6 million was derived from our organic fertilizer segment. In light of the fact that our principal business is the monetization of our patented technologies, management has determined to present the proceeds of settlements as revenue in our financial statements.

Our Web and Network Security Technology Business

Overview

Through Finjan, we own a portfolio of patents, related to software that proactively detects malicious code and thereby protects end users from identity and data theft, spyware, malware, phishing, trojans and other online threats. Finjan's mission is to invest in innovation and encourage the development of core intellectual property. Founded in 1997, Finjan developed and patented technology that is capable of detecting previously unknown and emerging threats on a real-time, behavior-based, basis, in contrast to signature-based methods of intercepting only known threats to computers, which were standard in the online security industry during the 1990s. As the network, web and endpoint security industries have transitioned to behavior-based detection of malicious code, we believe that our patented technology is widely used by third parties.

Development of Finjan's Business

Finjan was founded in 1997 as a wholly-owned subsidiary of Finjan Software Ltd, an Israeli corporation, which we refer to as "Finjan's initial parent," to cultivate proprietary technology that focused on proactively detecting threats to online security by identifying patterns and behavior of online viruses and other malicious code, rather than relying on lists of threats known within the online security industry. This technology allows users to proactively scan and repel the latest, and often unknown, threats to network, web, and endpoint security on a real-time basis. Following the development of its patented technology, Finjan's initial parent, together with its subsidiaries, provided secure web solutions, including security software and hardware, to the enterprise and endpoint markets.

In 2002, Finjan's initial parent engaged in a reorganization in which Finjan Software, Inc., a Delaware corporation, or "FSI," was formed to acquire and hold all of the capital stock of Finjan. Between 2002 and 2009, FSI focused its efforts on research and development and sales and marketing activities in an effort to bolster its position in the industry and enhance its portfolio of content inspection technologies. During that time period, FSI's activities were funded primarily by venture capital firms with experience providing capital and management expertise to software security firms, some with investment and operational experience within Israel's cybersecurity and technology sectors. Finjan also received financial backing from multi-national software and technology companies.

Between approximately 2002 and 2006, competitors in the online security industry began moving towards real-time, behavior-based, proactive threat detection, at times in violation of Finjan's patent rights and, beginning in 2005, Finjan commenced patent infringement litigation against third parties it believed were infringing its patents.

In October 2009, FSI transferred its portfolio of intellectual property to Finjan (its wholly-owned subsidiary at the time). Thereafter, in November, 2009, FSI sold certain assets, including certain of its operating subsidiaries (other than Finjan) and its sales and marketing assets, and Finjan granted a patent license to M86 Security, Inc., which we refer to as "M86". In connection with that transaction, and subsequent to November 2009, FSI and its remaining subsidiaries (including Finjan) ceased the development, marketing and sale of its products, but Finjan retained all of its patents and related rights. Following the M86 transactions, Finjan raised additional funds from its existing stockholders to finance its activities, which have consisted primarily of licensing and enforcing its intellectual property rights in network, web and endpoint security fields. See "Business—Licensing and Enforcement Business" below.

In April 2013, Finjan distributed securities of two unaffiliated entities which it previously held to FSI, and made a payment of cash in an amount sufficient to repay and satisfy in full an intercompany loan from FSI to Finjan. Following that distribution, the board of directors and stockholders of FSI approved the dissolution of, and a plan of liquidation for, FSI that resulted, among other things, in the distribution of Finjan common stock to certain of FSI's stockholders, each of whom received shares of our common stock in the reverse merger described below.

Licensing and Enforcement Business

Through Finjan, we generate revenues and related cash flows by granting intellectual property licenses for the use of patented technologies that we own by actively licensing and enforcing our patent rights against unauthorized use of our technologies (i.e. non-compliant licensees). Most of our license agreements, whether entered into via traditional licensing or enforcement litigation or otherwise, are structured on a paid-up basis (meaning we receive a one-time lump sum payment instead of future payments or royalties in exchange for a license to use our technology in accordance with the applicable license agreement), while some of our license agreements provide for future royalty payments in the event the licensee achieves milestones specified in the applicable license agreement. Upon entering into a new patent license agreement, the licensee typically agrees to pay consideration for sales made prior to the effective date of the license, in an amount related to the royalties we would have received had a license been in effect at the time of such sales.

In June 2006, Finjan's initial parent filed a patent infringement lawsuit against Secure Computing Corp. and its subsidiaries, which we refer to collectively as "Secure Computing," in the United States District Court for the district of Delaware, which we refer to as the "Secure Computing Litigation." Finjan, which succeeded FSI as the plaintiff in the litigation, asserted that Secure Computing had willfully infringed three of Finjan's U.S. patents and sought an injunction and damages for such infringement. In the Secure Computing Litigation, Secure Computing filed counterclaims for patent infringement, asserting that Finjan was infringing two U.S. patents. At trial, a jury determined that Secure Computing willfully infringed Finjan's three patents and found that Finjan did not infringe Secure Computing's patents. The jury awarded Finjan approximately \$9.0 million for past infringement and in August 2009 and the award was subsequently increased to approximately \$37,313,000, including interest, in July 2011. Post judgment interest continued to accumulate until the date of the payment. The court also issued a permanent injunction prohibiting Secure Computing from making, using, selling or offering to sell any infringing products. In September 2011, Finjan received gross proceeds of \$37.9 million from Secure Computing, including \$3.1 million of interest, in satisfaction of the judgment. Finjan paid approximately \$9.0 million of legal fees incurred in connection with the Secure Computing Litigation from such proceeds.

In 2010, Finjan filed a patent infringement lawsuit against five additional software and technology companies, which we refer to as the "2010 Litigation." Finjan negotiated out-of-court settlements with two of the defendants while three defendants continued to trial. Following a three-week jury trial held in December 2012, the jury rendered an adverse verdict in the 2010 Litigation. The jury concluded that the defendants that proceeded to trial were not liable for infringement and also concluded that certain claims in two of Finjan's patents were invalid. Finjan filed a post-trial motion to set aside the jury's verdict, but the motion was denied. We intend to appeal the jury's verdict rendering the subject claims of the two patents invalid. There can be no assurance, however, that such appeal will be successful. If unsuccessful, the subject claims of the two patents will continue to be invalid in future licensing and enforcement actions.

In April 2012, Finjan entered into a binding memorandum of understanding, or “MOU,” with one of the parties in the 2010 Litigation. As part of the MOU, Finjan agreed to withdraw its claims against such party in the 2010 Litigation and grant such party a license to use Finjan’s patents. The license is fully paid up unless the holder of the license has aggregate annual net sales to third party distributors or re-sellers in excess of \$10 million (which has not been achieved to date). The MOU provided for the issuance to Finjan of 3.765% of the party’s common stock, which had a fair value at the time of settlement of approximately \$8.4 million, and cash payments in the aggregate amount of \$3.0 million, payable in three equal payments of \$1.0 million, within eighteen months after the effective date of the final settlement and license agreement. As of June 27, 2013, Finjan had received all of the above-mentioned shares and the first and second installments of the cash payment. The third cash installment is due in January 2014, will accrue interest at the rate of 4% per annum until paid and will be recognized when such payments are received. Prior to the Reverse Merger, Finjan distributed all of the shares of common stock it received in the Settlement to its then-parent company and accordingly we do not own or have an interest in this company.

In November 2012, Finjan signed a Confidential Settlement, Release and License Agreement with one of the parties to the 2010 Litigation, a large, multinational software and technology company. Pursuant to the agreement, the counter-party paid a one-time fully paid up license fee to Finjan in the gross amount of \$85 million in exchange for a perpetual, non-exclusive worldwide license to all of Finjan’s and its affiliates’ patents, including patent rights owned or controlled by Finjan or its affiliates as of the date of such agreement and patents with a first effective priority date occurring at any time prior to November 2022 that Finjan or its affiliates may own or control after the date of such agreement. Following the signing of the agreement, Finjan dismissed all claims against the counter-party (including its affiliates).

Our web and network security technology segment generated approximately \$ 89.0 million and \$1.0 million in revenues during the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively. Approximately \$ 85.9 million of such revenues for the year ended December 31, 2012 were derived from gains on settlement and approximately \$1.0 million of such revenues for the nine months ended September 30, 2013 were derived from a license achieved in a settlement.

Growth Strategy

Our mission is to invest in innovation and encourage the development of core intellectual property. We believe our patented technology that is capable of detecting previously unknown and emerging threats on a real-time, behavior-based, basis, in contrast to signature-based methods of intercepting only known threats to computers, is significant and we intend to further monetize our technology through licensing. This may include the pursuit of new patents relating to technology we currently own through the continued prosecution of pending patent applications relating to our existing technology, the identification of new uses for our existing technology that may be patentable (and obtaining patent protection for such new uses) and prosecuting patent applications in additional (non-U.S.) jurisdictions. We also intend to expand our technology and intellectual property portfolio through strategic partnerships and acquisitions, as discussed below. Future licensing efforts may involve negotiated transactions or, if necessary, enforcement of our patent rights through litigation or other means.

In addition to expanding our intellectual property portfolio by seeking additional patent protections relating to technology we currently own (as described above), we intend to acquire and develop new technology and invest in intellectual property through acquisitions and strategic partnerships. We intend to broaden our technology and patent holdings by working with inventors, acquiring technology companies, investing in research laboratories, start-ups, universities, and by creating strategic partnerships with large companies seeking to effectively and efficiently monetize their technology and patent assets. Currently, however, we do not have the resources to engage in internal research and development or internal development of new technology through our existing operating platform, and we expect that any new technology that we acquire in the foreseeable future will be developed by strategic partners or

businesses we may acquire or in which we may invest. While we anticipate that our initial focus will remain in network, web and endpoint security, we may seek to diversify to a broader software definition in the future. Our experience with monetizing both technology and patents may be considered useful by potential acquisition candidates and strategic partners who may lack resources (in terms of capital, personnel and time) to effectively and efficiently generate a return for those investments.

As part of our acquisition and strategic partnership strategy, we will seek to identify technology and patents that have been or are anticipated to be widely adopted by third parties in connection with the manufacture or sale of products and services. To date, other than a small patent portfolio that we acquired in 2005 and substantially sold thereafter, we have not acquired any material technology or intellectual property from third parties and no assurance can be given that we will be able to execute our acquisition and strategic partnership strategy on terms acceptable to us, if at all. However, we intend to leverage the contacts and expertise of our directors and executive officers who, through their backgrounds in the venture capital, technology and intellectual property monetization industries have experience identifying potentially valuable opportunities for future investment.

Patented Technology

Through Finjan, we currently have twenty-one U.S. patents. Finjan's current U.S. issued patents expire at various times from 2016 through 2032 and it currently has three U.S. patent applications pending. Finjan also has 11 international patents and 4 international patent applications pending. Although we may from time to time focus on monetizing certain of these patents, we consider all of our patents to be "core" patents for our business.

Competition

We expect to encounter significant competition in the area of patent acquisitions and enforcement. This includes a growing number of competitors seeking to acquire the same or similar patents and technologies that we may seek to acquire. Entities including Acacia Research Corporation, Interdigital, Inc., RPX Corporation (generally on behalf of subscribing operating companies), Rambus Inc., Tessera Technologies Inc., Wi-LAN Inc. and Pendrell Corp. compete in acquiring rights to patents, and we expect more entities to enter the market. Other companies may develop competing technologies that offer better or less expensive alternatives to our patented technologies that we may acquire and/or out-license.

We also compete with venture capital firms, strategic corporate buyers and various industry leaders for technology acquisitions and licensing opportunities.

Our Organic Fertilizer Business

Overview

Through our Converted Organics subsidiary, we operate a processing facility in Gonzales, CA that uses food and agricultural waste as raw materials to manufacture all-natural fertilizer and soil amendment products combining nutritional and disease suppression characteristics for sale to our agribusiness market. We anticipate that any future revenue from our fertilizer business will be based upon our continued operation of our Gonzales, CA facility and possibly licensing the use of our technology to others.

We are evaluating whether to continue our organic fertilizer business. There can be no assurance that we will continue to operate our organic fertilizer business as previously operated or at all, or that such business will become profitable.

Production and Sale of Organic Fertilizer

Our organic fertilizer is produced exclusively at our Gonzales, CA plant. The plant currently produces predominantly liquid products; with additional capital it could be modified to enable production of additional dry products as well. Revenue from our fertilizer manufacturing operations is predominately generated from the sale of liquid product to the agribusiness market in California, though we do generate a small amount of revenue from “tip fees” (which are fees charged to waste haulers who pay us a fee for accepting food waste generated by food distributors, food providers and hospitality venues) associated with the receipt of food waste at the facility and sales of a limited amount of dry products.

Through Converted Organics, we sell and distribute the fertilizer manufactured at the Gonzales, CA plant through a small group of sales professionals who seek out large purchasers of fertilizer for distribution in our target geographic and product markets. Key activities of the sales organization include the introduction of our products to target clients and the development of our relationships with them. Due to Converted Organics’ small size, we believe that the most efficient means of distributing our fertilizer products is on a whole-sale basis to regional distributors, and this method currently accounts for the majority of our sales. To the extent that we make sales directly to customers, we generally require our customers to handle delivery of the product.

To generate product for sale, we use a high temperature liquid compositing, or “HTLC,” process to convert food waste and other feedstock into fertilizer. In simplified terms, the process operates by encouraging naturally-occurring microbes to consume prepared feedstock. The action of the microbes on the feedstock is exothermic (heat-releasing), and causes the temperature of the feedstock to rise to very high, pathogen-destroying levels. Subsequently, thermophilic (heat-loving) bacteria naturally occurring in the food waste utilize oxygen to convert the waste into a rich blend of nutrients and single-cell proteins (aerobic digestion). Feedstock preparation, digestion temperature, rate of oxygen addition, acidity, and inoculation of the microbial regime are carefully controlled to produce products that are highly consistent from batch to batch. The HTLC method can be used in any future operating plants, whether owned by us or licensed.

Our Gonzales, CA facility is our sole producer of our fertilizer product. During 2012 and 2011, we realized approximately \$1.5 million and \$2.5 million of revenue, respectively, from the sale of fertilizer from this facility.

Competition

We operate our organic fertilizer business in a very competitive environment. The organic fertilizer business requires us to compete in three separate areas — organic waste stream feedstock, technology, and end products — each of which is quickly evolving. We believe our organic fertilizer business will be able to compete effectively, with adequate financial resources, because of the abundance of the supply of food waste in our geographic markets, the pricing of our tip fees, and the quality of our products and technology.

Competition for the organic waste stream feedstock includes landfills, incinerators, animal feed, land application, and traditional composting operations.

There are a variety of methods used to treat organic wastes, including composting, digestion, hydrolysis, and thermal processing.

Companies using these technologies may compete with us for organic material.

Despite a large number of new products in the end market, we believe that our products have a unique set of characteristics. We believe positioning and branding the combination of nutrition and disease suppression characteristics will differentiate our products from other organic fertilizers to develop market demand, while maintaining or increasing pricing.

Governmental Regulation

Our end products are regulated by federal, state, county, and local governments, as well as various agencies thereof, including the United States Department of Agriculture.

In addition to the regulations governing the sale of our end products, our current facility and any future facilities are subject to extensive regulation. Specific permit and approval requirements are set by the state and state agencies, as well as local jurisdictions including but not limited to cities, towns, and counties. Any changes to our plant or procedures would likely require permit modifications.

Environmental regulations will also govern the operation of our current facility and any future facilities. Regulatory agencies may require us to remediate environmental conditions at our locations.

Future Development

We need additional capital to build additional plants to grow our organic fertilizer business or we need to license others to use our technology. Our Converted Organics subsidiary does not have funds to build additional facilities and we have no plans to raise such funds or allocate funds generated from our online security technology business for that purpose. We are evaluating whether to continue our organic fertilizer business as currently conducted. There can be no assurance that we will continue to operate our organic fertilizer business as previously operated or at all. We do not intend to use significant amounts of cash on hand generated by Finjan to fund our organic fertilizer business.

Corporate Information and History

Finjan Holdings, Inc. (formerly, Converted Organics Inc.) was incorporated in Delaware in January of 2006 for the purpose of establishing a waste-to-fertilizer business. In February 2007, we successfully completed both a \$9.9 million initial public offering of stock and a \$17.5 million bond offering with the New Jersey Economic Development Authority. The net proceeds of these offerings were used to develop and construct a fertilizer manufacturing facility in Woodbridge, New Jersey. In January of 2008, we acquired the assets of Waste Recovery Industries, LLC and United Organic Products, LLC, including our processing facility in Gonzales, California and related technology rights. Also in 2008, operations commenced at the Woodbridge, New Jersey plant, with the production of dry fertilizer product beginning in 2009. We subsequently began distribution of the dry product in the professional turf and retail markets. In 2009, we also raised \$27 million of additional capital and the Gonzales, California facility became cash flow positive. In 2010, we closed the Woodbridge, New Jersey plant, making the Gonzales, California plant our sole fertilizer manufacturing facility.

In March 2010, we began to operate an Industrial Wastewater Resources, or "IWR," division to leverage our exclusive license of the LM-HT Concentrator technology for the treatment of industrial wastewater. On March 23, 2010, we entered into a loan and license agreement with Heartland Technology Partners, LLC, or "HTP." On September 17, 2012, we completed a transaction with HTP whereby we terminated all rights under the license agreement in exchange for \$650,000 and we no longer have any rights under that agreement. In light of the termination of our agreement with HTP, we will not generate future revenue from, or own any assets in, the IWR segment of our business and as

such, the results of operations for the years ended December 31, 2012 and 2011 were classified as discontinued operations.

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On May 20, 2010, we formed TerraSphere Inc., a Delaware C corporation and a wholly owned subsidiary of the Company, for the purpose of acquiring the membership interests of TerraSphere Systems, LLC, or “TerraSphere Systems.” On July 6, 2010, we, TerraSphere Inc., TerraSphere Systems and the members of TerraSphere Systems entered into a membership interest purchase agreement, pursuant to which we agreed to acquire the membership interests of TerraSphere Systems. The agreement was approved by our stockholders on September 16, 2010 and we acquired 95% of the membership interests of TerraSphere Systems on November 12, 2010. TerraSphere Systems is in the business of designing, building, and operating highly efficient and scalable systems, featuring a patented, proprietary technology that utilizes vertically-stacked modules to house rows of plants, which are then placed perpendicular to an interior light source to grow pesticide and chemical-free organic fruits and vegetables. On December 7, 2012, we entered into an agreement, whereby we transferred our entire ownership of TerraSphere Inc. and its subsidiaries to a third party. The purchaser received all of the assets of TerraSphere Inc. and its subsidiaries, assumed all of the liabilities of TerraSphere Inc. and its subsidiaries and paid us nominal cash consideration. In light of the sale of TerraSphere Inc. and its subsidiaries, we will not generate future revenue from the vertical farming segment of our business and as such, the results of operations for the years ended December 31, 2012 and 2011 were classified as discontinued operations.

On June 3, 2013, we entered into an Agreement and Plan of Merger, which we refer to as the “Merger Agreement,” with Finjan and COIN Merger Sub, Inc., or “Merger Sub,” pursuant to which Merger Sub merged with and into Finjan, with Finjan being the surviving corporation. Throughout this prospectus, we refer to the transactions contemplated by the Merger Agreement as the “Reverse Merger.” The Reverse Merger was consummated on June 3, 2013. As a result of the Reverse Merger, Finjan became our wholly-owned subsidiary and former holders of Finjan’s capital stock received an aggregate of 20,467,058 shares (on an adjusted basis, after giving effect to the 1-for-12 reverse stock split that we effected on August 22, 2013) of our common stock, or 91.5% of our outstanding common stock at the effective time of the Reverse Merger (on a fully-diluted basis, but excluding any shares underlying the options to purchase up to an aggregate of 1,585,479 shares (on an adjusted basis, after giving effect to the 1-for-12 reverse stock split) of our common stock issued pursuant to the Merger Agreement).

On June 3, 2013, as a condition to the closing of the Reverse Merger, we entered into an Exchange Agreement, which we refer to as the “Exchange Agreement,” with Hudson Bay Master Fund Ltd., a Cayman Islands company, which we refer to as “Hudson Bay,” and Iroquois Master Fund Ltd., a Cayman Islands company, which we refer to “Iroquois.” Pursuant to the Exchange Agreement, immediately following the effectiveness of the Reverse Merger, each of Hudson Bay and Iroquois exchanged an aggregate of \$1,192,500 principal amount of our convertible notes, 13,281 shares of our Series A Preferred Stock and warrants to purchase an aggregate of 105,554 shares (on an adjusted basis after giving effect to the 1-for-500 and 1-for-12 reverse stock splits effected on June 3, 2013 and August 22, 2013, respectively) of our common stock for an aggregate of 1,789,470 shares (on an adjusted basis, after giving effect to the 1-for-12 reverse stock split that we effected on August 22, 2013) of our common stock, or 8% of our outstanding common stock immediately following the Reverse Merger (on a fully-diluted basis, but excluding any shares underlying the options to purchase up to an aggregate of 1,585,479 shares (on an adjusted basis, after giving effect to the 1-for-12 reverse stock split) of our common stock issued pursuant to the Merger Agreement). Each of Hudson Bay and Iroquois also released us, our affiliates, subsidiaries and related companies from any and all debts, liabilities and other claims with respect to such convertible notes, Series A Preferred Stock and warrants.

Prior to the Reverse Merger, our corporate name was “Converted Organics, Inc.” On June 3, 2013, we entered into an Agreement and Plan of Merger with our wholly-owned subsidiary, Finjan Holdings, Inc., a Delaware corporation, which was formed solely for the purpose of effecting the change of our corporate name, which we refer to as “Name Change Merger Sub,” pursuant to which, on June 3, 2013, Name Change Merger Sub was merged with and into our company, and our company remained as the surviving corporation. Upon filing of the Certificate of Ownership and Merger reflecting the merger of Name Change Merger Sub with and into our company with the Delaware Secretary of State on June 3, 2013, we changed our corporate name from Converted Organics, Inc. to Finjan Holdings, Inc., without obtaining shareholder approval, through a short-form merger in accordance with Section 253 of the General Corporation Law of the State of Delaware. In connection with our name change, the symbol for our common stock was changed to “FNJN,” effective July 2, 2013.

For additional information regarding Finjan’s corporate history, please see “Business—Online Security Technology—Development of Finjan’s Business” above.

Certain Risks Affecting Us

Our business is subject to numerous risks, as more fully described below in the section of this prospectus entitled “Risk Factors,” including the following:

- Finjan’s limited operating history makes it difficult to evaluate its current business and future prospects.
- We are presently reliant exclusively on a limited number of patented technologies that we own through Finjan.
 - The value of our patent assets may decline.
 - We expect litigation to enforce our patents to be time-consuming, costly and unpredictable.
 - Finjan’s revenues are unpredictable, and this may harm our financial condition.
- If we do not expand our licensable technology portfolio with commercially successful technologies, our prospects could be adversely affected.
- Concentration of ownership among our directors and largest stockholders may prevent new investors from influencing significant corporate decisions.
- An active, liquid and orderly trading market for our common stock may not develop, and the price of our stock may be volatile and may decline in value.