

Fortress America Acquisition CORP
Form PRER14A
December 08, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2
TO
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant:
Filed by a Party other than the Registrant:

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Under Rule 14a-12

FORTRESS AMERICA ACQUISITION CORPORATION

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if Other
Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies: Membership interests in VTC, L.L.C. and Vortech, LLC.
- (2) Aggregate number of securities to which transaction applies: All of the issued and outstanding membership interests of VTC, L.L.C. and Vortech, LLC.
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): Up to \$38,275,641 will be paid for all of the issued and outstanding membership interests of VTC, L.L.C. and Vortech, LLC.
- (4) Proposed maximum aggregate value of transaction: \$38,275,641
- (5) Total fee paid: \$4,095

.. Fee paid previously with preliminary materials:

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

FORTRESS AMERICA ACQUISITION CORPORATION
4100 North Fairfax Drive, Suite 1150
Arlington, Virginia 22203

Dear Stockholder:

You are cordially invited to attend a special meeting of the stockholders of Fortress America Acquisition Corporation, relating to the proposed acquisition of VTC, L.L.C., doing business as Total Site Solutions, and Vortech, LLC (together, TSS/Vortech), which will be held at 10:00 a.m., Eastern Time, on January __, 2007, at the offices of Squire, Sanders & Dempsey L.L.P. located at 8000 Towers Crescent Drive, 14th Floor, Tysons Corner, Virginia 22182.

At this special meeting, you will be asked to consider and vote on the following proposals:

1.

To approve the acquisition of TSS/Vortech (referred to as the acquisition) substantially on the terms set forth in the Second Amended and Restated Membership Interest Purchase Agreement dated July 31, 2006 (referred to as the purchase agreement) by and among Fortress America Acquisition Corporation, VTC, L.L.C., Vortech, LLC, and Thomas P. Rosato and Gerard J. Gallagher, as the members of VTC, L.L.C. and Vortech, LLC, and the other transactions contemplated by the purchase agreement;

2.

To amend and restate our Amended and Restated Certificate of Incorporation to change our name from Fortress America Acquisition Corporation to Fortress International Group, Inc. and to remove certain provisions only applicable to us prior to our completion of a business combination (referred to as the amendment);

3.

To approve the 2006 Omnibus Incentive Compensation Plan (referred to as the incentive compensation plan);

4.

To elect one director, for a three-year term expiring in 2009 (referred to as the nomination); and

5.

To approve any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies.

As provided in our Amended and Restated Certificate of Incorporation, we will proceed with the acquisition only if (i) a majority of the shares cast, in person or by proxy, in respect of common stock owned by our public stockholders (those stockholders who purchased their shares as part of our initial public offering or in the aftermarket) are voted in favor of the acquisition and (ii) public stockholders owning 20% or more of the shares sold in our initial public offering (1,560,000 or more of such shares) do not exercise their conversion rights (as discussed below in this letter). The incentive compensation plan and the adjournment must be approved by the affirmative vote of the majority of the shares of our common stock present in person or represented by proxy at the special meeting and entitled to vote on such matters. The amendment must be approved by the affirmative vote of the majority of the shares of our common stock outstanding on the record date. To be elected as a director, a nominee must receive the affirmative vote of a plurality of the shares of our common stock present in person or represented by proxy at the special meeting and entitled to vote on the election of directors.

None of our directors or officers purchased shares in our initial public offering or in the aftermarket.

As provided in our Amended and Restated Certificate of Incorporation, public stockholders voting against the acquisition are entitled to demand that their shares of common stock be converted into cash. If the acquisition is consummated, a demanding public stockholder that voted against the acquisition will receive cash equal to such public stockholder's pro rata portion of the proceeds of our initial public offering that were placed into our trust account, including a pro rata portion of any interest earned on such funds through the date that is two business days prior to the closing of the acquisition. Based on the amount of cash held in the trust account at November 30, 2006, we estimate that you will be entitled to convert each share that you hold into approximately \$5.70.

After careful consideration, our board of directors unanimously approved the acquisition, the purchase agreement and the other transactions contemplated by the purchase agreement, and determined that the acquisition is in our best interest and in the best interest of our stockholders. Our board of directors has also determined that the fair market value of TSS/Vortech will exceed 80% of our net assets at the time of the acquisition. Our board of directors has received a written opinion that, as of the date therein, and based upon and subject to the assumptions,

factors, qualifications and limitations set forth therein, the consideration to be paid by us in the proposed acquisition is fair to our stockholders from a financial point of view. Our board of directors also unanimously approved the amendment and the incentive compensation plan, subject to stockholder approval of the acquisition. Finally, our board of directors has approved the nomination of David J. Mitchell as a member of the board of directors. If the acquisition is not approved, the amendment and the incentive compensation plan will not be presented for approval at the special meeting.

Our board of directors unanimously recommends that holders of our common stock vote **FOR** the approval of the acquisition, the purchase agreement and the other transactions contemplated by the purchase agreement, **FOR** the amendment, **FOR** the incentive compensation plan, **FOR** the nomination and **FOR** any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies.

Enclosed is a notice of special meeting and proxy statement containing detailed information concerning the acquisition, the purchase agreement and the transactions contemplated by the purchase agreement, the amendment, the incentive compensation plan and the nomination.

Your vote is important. Whether or not you plan to attend the special meeting, we urge you to read this material carefully, complete the enclosed proxy card and return it as promptly as possible.

Under our Amended and Restated Certificate of Incorporation, the acquisition must be approved by a majority of the votes cast at the special meeting, in person or by proxy, in respect of shares of our common stock issued in our initial public offering. **If you do not appear at the special meeting in person or by proxy, or if you abstain by appearing in person and not voting or by returning a proxy and not instructing how your shares should be voted by proxy on the acquisition, or if your shares are held in street name and you do not instruct your broker or bank how to vote, your shares will not be counted as being voted either for or against approval of the acquisition, and you will not have the right to convert your shares into a pro rata portion of the trust account. Further, such a failure to vote or to instruct your broker or bank how to vote your shares will have the same effect as voting against the amendment.**

See the section titled Risk Factors beginning on page ___ of this proxy statement for a discussion of various factors that you should consider in connection with the acquisition since, upon completion of the acquisition, the operations and assets of FAAC will largely be those of the business we acquire in the acquisition.

This proxy statement is dated December __, 2006, and is first being mailed, along with the enclosed proxy card, to stockholders on or about December __, 2006.

Sincerely,

C. Thomas McMillen
Chairman

FORTRESS AMERICA ACQUISITION CORPORATION
4100 North Fairfax Drive, Suite 1150
Arlington, Virginia 22203

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON JANUARY __, 2007

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Fortress America Acquisition Corporation, or FAAC, a Delaware corporation, will be held at 10:00 a.m., Eastern Time, on January __, 2007, at the offices of Squire, Sanders & Dempsey L.L.P. located at 8000 Towers Crescent Drive, 14th Floor, Tysons Corner, Virginia 22182, for the purposes of considering and voting upon the following proposals:

1. To approve the acquisition of VTC, L.L.C. and Vortech, LLC (referenced to as the acquisition) substantially on the terms set forth in the Second Amended and Restated Membership Interest Purchase Agreement dated July 31, 2006 (referred to as the purchase agreement) by and among Fortress America Acquisition Corporation, VTC, L.L.C., Vortech, LLC, and Thomas P. Rosato and Gerard J. Gallagher, as the members of VTC, L.L.C. and Vortech, LLC, and the other transactions contemplated by the purchase agreement, as more fully described in the enclosed proxy statement;
2. To amend and restate our Amended and Restated Certificate of Incorporation to change our name from Fortress America Acquisition Corporation to Fortress International Group, Inc. and to remove certain provisions only applicable to us prior to our completion of a business combination (referred to as the amendment);
3. To approve the 2006 Omnibus Incentive Compensation Plan (referred to as the incentive compensation plan);
4. To elect one director for a three-year term expiring in 2009 (referred to as the nomination); and
5. To approve any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies.

The record date for determining stockholders entitled to notice of, and to vote at, the special meeting or any postponements or adjournments of the special meeting is the close of business on December __, 2006. Only holders of record of shares of our common stock on the record date are entitled to vote at the special meeting or any postponements or adjournments of the special meeting. If we have not received sufficient proxies to constitute a quorum or sufficient votes for approval of the acquisition, the purchase agreement and the other transactions contemplated by the purchase agreement, the amendment, the incentive compensation plan and/or the nomination at the special meeting, the special meeting may be adjourned for the purpose of soliciting additional proxies.

A complete list of our stockholders of record entitled to vote at the special meeting will be available for ten days before the special meeting at FAAC's principal executive offices for inspection by stockholders during ordinary business hours for any purpose germane to the special meeting.

All FAAC stockholders are cordially invited to attend the special meeting and cast your vote in person. However, to ensure your representation at the special meeting, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. Regardless of the number of shares you own, your vote is important. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

If you do not appear at the special meeting in person or by proxy, or if you abstain by appearing in person and not voting or by returning a proxy and not instructing how your shares should be voted by proxy on the acquisition, or if your shares are held in street name and you do not instruct your broker or bank how to vote, your shares will not be counted as being voted either for or against approval of the acquisition, and you will not

have the right to convert your shares into a pro rata portion of the trust account. Further, such a failure to vote or to instruct your broker or bank how to vote your shares will have the same effect as voting against the amendment.

After careful consideration, our board of directors unanimously approved the acquisition, the purchase agreement and the other transactions contemplated by the purchase agreement, and determined that the acquisition is

in our best interest and in the best interest of our stockholders. Our board of directors has received a written opinion that, as of the date therein, and based upon and subject to the assumptions, factors, qualifications and limitations set forth therein, the consideration to be paid by FAAC in the proposed acquisition is fair to FAAC from a financial point of view. Our board of directors also unanimously approved the amendment and the incentive compensation plan, subject to stockholder approval. Our board of directors has approved the nomination of David J. Mitchell as a member of our board of directors. Our board of directors unanimously recommends that holders of our common stock vote FOR the approval of the acquisition, the purchase agreement and the other transactions contemplated by the purchase agreement, FOR the amendment, FOR the incentive compensation plan, FOR the nomination and FOR any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies.

We encourage you to read this entire proxy statement carefully as well as the additional documents to which it refers.

By Order of the Board of Directors,

C. Thomas McMillen
Chairman

December __, 2006

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SUMMARY OF MATTERS TO BE VOTED UPON

This summary briefly outlines the matters to be voted upon at the special meeting, including principally approval of our acquisition of VTC, L.L.C. and Vortech, LLC.

Summary of Material Terms of the Acquisition

This summary presents material information relating to our acquisition (referred to in this proxy statement as the acquisition) of VTC, L.L.C, doing business as Total Site Solutions (referred to in this proxy statement as VTC or TS and Vortech, LLC (referred to in this proxy statement as Vortech and together with VTC the companies or TSS/Vortech) pursuant to the Second Amended and Restated Membership Interest Purchase Agreement dated July 31, 2006 (referred to in this proxy statement as the membership interest purchase agreement or the purchase agreement), by and among Fortress America Acquisition Corporation (referred to in this proxy as FAAC , we, us and our, unless the context requires otherwise), TSS, Vortech, Thomas P. Rosato and Gerard J. Gallagher as the members of TSS and Vortech (referred to in this proxy statement as the selling members), and Thomas P. Rosato, as the selling members representative. This summary may not contain all of the information that is important to you. Please carefully read this entire proxy statement as well as the additional documents to which it refers.

Business of the companies: TSS and Vortech are privately held companies that together provide a single source solution for highly technical mission-critical facilities such as data centers, operation centers, network facilities, server rooms, security operations centers, communications facilities and the infrastructure systems that are critical to their function. The companies' services include technology consulting, engineering and design management, construction management, system installations, operations management, and facilities management and maintenance.

General description of the acquisition: The membership interest purchase agreement provides for our acquisition of all of the issued and outstanding membership interests of VTC and Vortech from their respective members, for closing date purchase consideration of up to \$38.5 million (subject to certain working capital adjustments), consisting of \$11.0 million in cash, the assumption of up to \$161,000 of the companies' debt, up to 3,205,128 shares of our common stock as reduced by the amount of any debt assumed by FAAC, and \$10.0 million in two convertible, interest-bearing promissory notes of \$5.0 million each.

Of the up to 3,205,128 shares of our common stock to be issued at closing as purchase consideration,

-

576,559 shares shall be issued to certain employees of the companies under restricted stock grants;

-

up to 67,825 shares shall be issued to Evergreen Capital LLC as partial payment of certain outstanding consulting fees; and

-

2,628,569 shares (as reduced for the assumption of up to \$161,000 of debt and by any shares issued to Evergreen Capital LLC) shall be issued to the selling members of VTC and Vortech.

All 2,628,569 shares of our common stock issued to the selling members shall be subject to a lock-up agreement restricting the sale or transfer of those shares through July 13, 2008 and, in addition, shall be held in escrows maintained by an escrow agent (2,487,484 shares to be held in a general indemnity escrow and 73,260 shares to be held in a balance sheet escrow, all as described below). The 576,559 shares of our stock to be issued to certain

employees of the companies as restricted stock grants will be subject to forfeiture if the receiving employee terminates his employment within three years of the closing of the acquisition, in which event the forfeited shares will be delivered to the selling members.

In addition, at the closing of the acquisition, we will enter into employment agreements with each of the selling members. Under these agreements, as described in more detail below, each selling member will be entitled to initial annual base compensation of \$425,000, an annual bonus of up to 50% of his base compensation, and if during the period from the closing of the acquisition through July 13, 2008 the market price of our common stock reaches certain thresholds, up to \$5.0 million in shares of our common stock. We refer to the potential issuance of additional shares under the employment agreements as the share performance bonus . For a more detailed discussion of the employment agreements, please see Directors and Executive Officers of Fortress America Acquisition Corporation Following the Acquisition Employment Agreements on page ___.

For a more detailed discussion of the structure of the acquisition, please see *The Purchase Agreement* on page ___.

Escrow of a portion of the purchase consideration: Portions of the stock otherwise payable at closing to the selling members are being deposited into escrow accounts with an escrow agent as follows:

- 2,487,484 shares of our common stock to secure the selling members' indemnification obligations; and
- 73,260 shares of our common stock to secure post-closing adjustments to the purchase price in our favor.

Please see *Escrow Agreements* on page ___.

Convertible promissory notes. Each convertible promissory note bears interest at six percent per year and has a term of five years. Interest only is payable during the first two years of each note with principal payments commencing on the second anniversary of note and continuing throughout the balance of the term of the note in equal quarterly installments of \$416,667. At any time after the sixth month following the closing of the acquisition, the notes are convertible by the selling members into shares of our common stock at a conversion price of \$7.50 per share. At any time after the sixth month following the closing of the acquisition, the notes are automatically convertible if the average closing price of our common stock for 20 consecutive trading days equals or exceeds \$7.50 per share.

Share performance bonus. Up to \$5.0 million in additional shares of our common stock will be issuable to each selling member if during the period from the closing of the acquisition through July 13, 2008, certain share performance thresholds (alternative and not cumulative) set forth below are satisfied:

- if the highest average share price of FAAC's common stock during any 60 consecutive trading day period between the closing of the acquisition and July 13, 2008 exceeds \$9.00 per share but is no more than \$10.00 per share, the selling member will be entitled to \$0.5 million worth of additional shares; or
- if the highest average share price of FAAC's common stock during any 60 consecutive trading day period between the closing of the acquisition and July 13, 2008 exceeds \$10.00 per share but is no more than \$12.00 per share, the selling member will be entitled to \$1.5 million worth of additional shares; or
- if the highest average share price of FAAC's common stock during any 60 consecutive trading day period between the closing of the acquisition and July 13, 2008 exceeds \$12.00 per share but is no more than \$14.00 per share, the selling member will be entitled to \$3.0 million worth of additional shares; or
- if the highest average share price of FAAC's common stock during any 60 consecutive trading day period between the closing of the acquisition and July 13, 2008 exceeds \$14.00 per share, the selling member will be entitled to \$5.0 million worth of additional shares.

Directors and Executive Officers Following the Acquisition: At the effective time of the acquisition, C. Thomas McMillen, who has served as our Chairman, and Harvey L. Weiss, who has served as our Chief Executive Officer, in each case since inception, will resign from those offices but remain as members of the board of directors. At that time, Harvey L. Weiss will become our Chairman; C. Thomas McMillen will become our Vice Chairman, Thomas P. Rosato will become our Chief Executive Officer and Gerard J. Gallagher will become our President and Chief Operating Officer.

Additional Proposals to be Voted Upon

In addition to voting on the acquisition, our stockholders will vote on proposals to amend and restate our Amended and Restated Certificate of Incorporation, to approve an incentive compensation plan, to elect a director to our board of directors and to approve any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies. Please see Approval of the Proposal to Amend and Restate Our Amended and Restated Certificate of Incorporation on page __, Approval of the 2006 Omnibus Incentive Compensation Plan on page __, Approval of the Election of a Nominee to Our Board of Directors on page __ and Approval of Proposal to Adjourn the Special Meeting on page __.

QUESTIONS AND ANSWERS ABOUT THE ACQUISITION

Q.

What is being voted on?

A.

There are five proposals that you are asked to vote on:

•

The first proposal is to approve the acquisition of TSS/Vortech and the other transactions contemplated in the purchase agreement.

•

The second proposal is to approve the amendment and restatement of our Amended and Restated Certificate of Incorporation to effect the name change of FAAC to Fortress International Group, Inc. and eliminate certain provisions that are applicable to us only prior to our completion of a business combination.

•

The third proposal is to approve our 2006 Omnibus Incentive Compensation Plan.

•

The fourth proposal is to elect David J. Mitchell to our board of directors.

•

The fifth proposal allows the adjournment or postponement of the special meeting to a later date if necessary to permit further solicitation of proxies.

Q.

Why is FAAC proposing the acquisition of TSS/Vortech?

A.

We were organized to effect a business combination with an operating business in the homeland security industry. Under the terms of our Amended and Restated Certificate of Incorporation, prior to completing a business combination, we must submit the transaction to our stockholders for approval. Having negotiated the terms of a business combination with TSS/Vortech, we are now submitting the transaction to stockholders for their approval.

TSS and Vortech are privately held companies that together provide a single source solution for highly technical mission-critical facilities such as data centers, operation centers, network facilities, server rooms, security operations centers, communications facilities and the infrastructure systems that are critical to their function. The companies services include technology consulting, engineering and design management, construction management, system installations, operations management, and facilities management and maintenance.

Our board of directors believes that:

-

TSS/Vortech provides a strong homeland security platform from which we can expand, organically and through future acquisitions, in the large and growing homeland security market;

-

TSS/Vortech has strong core competencies and service offerings that we can build upon;

-

TSS/Vortech's management has substantial experience and is willing to remain with us post-acquisition and accept a significant portion of the purchase consideration in shares of our common stock;

-

TSS/Vortech's business is currently profitable and not reliant for profits upon speculative business plans; and

-

the purchase price for TSS/Vortech is reasonable.

Q.

What will be FAAC's strategy after the acquisition is completed?

A.

We plan to pursue a strategy for growth that includes both organic growth and acquisitions. We expect to achieve organic growth by increasing business development and sales activities utilizing TSS/Vortech's Solutions Path, a process for program roll-outs that aligns projects requirements with TSS/Vortech's capabilities. When involved in the initial planning stages of a facilities integration project, TSS/Vortech develops a comprehensive project Solutions Path that meets rigorous design and scheduling requirements for the timely delivery of high technology facilities that are critical to the customer's continuous operations. The traditional TSS/Vortech approach to the market begins with the sale of consulting and planning services at the beginning of a project cycle, which allows TSS/Vortech to establish key customer relationships early on. TSS/Vortech seeks to use these consulting engagements at the early stages of a project to offer its follow on engineering and design, construction management, installation management and, upon the completion of a

mission critical project, its facilities maintenance and services offerings. TSS/Vortech often finds that its on site presence results in additional contracts for adds-moves-changes, or AMCs. FAAC believes that increasing the number of TSS/Vortech's sales and marketing persons will significantly improve its opportunities for each of its traditional services and result in organic growth.

We plan to focus the acquisition portion of our growth strategy on the acquisition of specialty engineering and information technology/networking consulting and system integration companies that focus on mission-critical facilities. There are many independent, unaffiliated boutique engineering firms that specialize in the planning and design of mission-critical facilities. These firms, which often have customers among the largest and most prestigious financial services firms, universities and health care institutions, e-commerce Internet companies, Internet service providers, manufacturers and other companies considered part of the country's critical infrastructure, generally prepare designs but do not provide the engineering services and drawings needed to implement those designs. We plan to identify and acquire specialty engineering firms in up to ten high-potential geographic markets. With the comprehensive set of services available from TSS/Vortech, we expect that the acquisition of these engineering firms will significantly improve sales because TSS/Vortech would be a natural follow-on service provider for much of the initial engineering work provided by these businesses. We further expect this acquisition strategy to give the company a national foot print and increase the revenue and profit per employee. Another aspect of our acquisition strategy is to find and acquire businesses with Network Operation Center (NOC) capability, situational awareness, and command and control capability. We believe that these capabilities and services will enhance the ability of TSS/Vortech to sell and deliver facilities management services and will also increase capabilities for facility maintenance and growth services. Finally, we intend expand our international business in Europe, Asia and the Middle East through joint ventures and the acquisition of companies.

We believe these strategies will improve our revenue growth and allow us to achieve economies of scale that will enhance our profitability.

Q.

Who will manage the acquired company?

A.

Following the acquisition, TSS/Vortech will be managed by members of the existing management of TSS/Vortech, including Thomas P. Rosato, who will become our Chief Executive Officer, and Gerard J. Gallagher, who will become our President and Chief Operating Officer, and also by Harvey L. Weiss, who will become the Chairman of our Board of Directors, and C. Thomas McMillen, who will become the Vice Chairman of our Board of Directors. Mr. Rosato has more than 25 years of experience in operating and managing mission-critical service businesses and has overseen the building of more than \$1 billion in projects. Mr. Gallagher has more than 25 years of experience in mission-critical fields, including nine years serving as the president of operating businesses in the industry. Mr. Weiss has over 35 years of experience in security-related fields and has over 10 years of experience serving as president or chief executive officer of operating businesses. Mr. McMillen has since 2003 served as the chief executive officer or chairman of companies focused on the homeland security industry and has over 18 years of experience in government, finance and mergers and acquisitions. Mr. McMillen may have conflicts of interest due to his affiliation with Homeland Security Capital Corporation. See the discussion under Risk Factors Risks Related to the Acquisition of TSS/Vortech The current chairman of our board of directors may have conflicts of interest that could hinder our ability to make acquisitions and Certain Relationships and Related Transaction Homeland Security Capital Corporation.

Q.

What is FAAC paying for TSS/Vortech and what are the selling members receiving?

A.

We have agreed to purchase all of the issued and outstanding membership interests of VTC, L.L.C. and Vortech, LLC for closing date consideration of up to \$38.5 million (subject to certain working capital adjustments) consisting of up to \$11.0 million in cash, the