

Bridgeline Digital, Inc.
Form S-3
November 14, 2016

As filed with the Securities and Exchange Commission on November 14, 2016
Registration No. 333-_____

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BRIDGELINE DIGITAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 52-2263942
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

80 Blanchard Road
Burlington, MA 01803
(781) 376-5555

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Michael D. Prinn
Chief Financial Officer
Bridgeline Digital, Inc.
80 Blanchard Road
Burlington, MA 01803
(781) 376-5555

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to
Daniel W. Rumsey, Esq.
Jessica R. Sudweeks, Esq.
Disclosure Law Group, a Professional Corporation
600 West Broadway, Suite 700
San Diego, CA 92101
(619) 272-7050

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective, as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.001 per share (3)	3,778,747	\$0.48	\$1,813,798,565	\$210.22

In accordance with Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), the common stock (1) offered hereby shall also be deemed to cover additional securities to be offered or issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.

Estimated solely for the purpose of determining the registration fee in accordance with Rule 457(c) under the (2) Securities Act based upon the average of the high and low sales prices of the registrant’s common stock as reported on the NASDAQ Capital Market on November 11, 2016.

Represents (i) 2,881,672 outstanding shares of common stock that have been issued to certain selling stockholders (3) and (ii) 896075 shares of common stock that may be issued to certain selling stockholders upon the exercise of outstanding warrants.

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. The selling stockholders may not resell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, nor is it a solicitation of offers to buy these securities, in any state where the offer or sale is not permitted.

Subject to completion, dated November 14, 2016

PRELIMINARY PROSPECTUS

[] Shares

COMMON STOCK

This prospectus relates to the possible resale of up to [] shares of our common stock, \$0.001 par value per share, which includes up to [] shares that may be issued upon the exercise of warrants, by the selling stockholders identified in this prospectus or in supplements to this prospectus. The shares and the warrants were issued to the selling stockholders in connection with previously disclosed private placement transactions, including the placement of common stock and warrants disclosed on November 4, 2016. We are registering the shares to provide the selling stockholders with freely tradable securities. This prospectus does not necessarily mean that the selling stockholders will offer or sell those shares. Up to [] shares may be sold from time to time after the effectiveness of the registration statement, of which this prospectus forms a part, and up to 870,835 shares may be sold from time to time after May 9, 2017, which is the date certain warrants become exercisable. See “Description of Private Placements” under “Prospectus Summary” on page 1 below for more information.

We will receive no proceeds from any sale by the selling stockholders of the shares of our common stock covered by this prospectus, but we have agreed to pay certain expenses relating to the registration of such shares. The selling stockholders may from time to time offer and resell, transfer or otherwise dispose of any or all of the shares of our common stock covered by this prospectus through underwriters or dealers, directly to purchasers or through broker-dealers or agents. See “Plan of Distribution” on page 7 below for more information.

Our common stock trades on the NASDAQ Capital Market under the symbol “BLIN.” On November 11, 2016, the closing price for our common stock, as reported on the NASDAQ Capital Market, was \$0.48 per share.

Investing in our securities involves certain risks. See “Risk Factors” on page 2 of this prospectus and in any applicable prospectus supplement for certain risks you should consider. You should read the entire prospectus carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is [], 2016

Table of Contents

BRIDGELINE DIGITAL, INC.
TABLE OF CONTENTS

	PAGE
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	2
<u>Description of Common Stock</u>	3
<u>Selling Stockholders</u>	5
<u>Use Of Proceeds</u>	7
<u>Plan Of Distribution</u>	7
<u>Legal Matters</u>	8
<u>Experts</u>	8
<u>Where You Can Find More Information</u>	8
<u>Incorporation Of Certain Information By Reference</u>	8

This prospectus is part of a registration statement on Form S-3 that we filed with the United States Securities and Exchange Commission (the “SEC”). Under this registration statement, the selling stockholders may offer and resell up to [] shares of our common stock, which includes [] shares that may be issued upon the exercise of warrants, in one or more offerings. The exhibits to the registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase our common stock, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the sections entitled “Incorporation of Certain Information by Reference” and “Where You Can Find More Information.”

You should rely only on the information provided or incorporated by reference in this prospectus or any applicable prospectus supplement. Neither we nor the selling stockholders have authorized anyone to provide you with different or additional information. Neither we nor the selling stockholders are making an offer to sell our common stock in any jurisdiction where the offer or sale thereof is not permitted. You should not assume that the information appearing in this prospectus or any applicable prospectus supplement or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read carefully the entirety of this prospectus and any applicable prospectus supplement, as well as the documents incorporated by reference in this prospectus and any applicable prospectus supplement, before making an investment decision.

In this prospectus, unless otherwise specified or the context requires otherwise, we use the terms “company,” “we,” “us” and “our” to refer to Bridgeline Digital, Inc., a Delaware corporation.

-ii-

Table of Contents

PROSPECTUS SUMMARY

Our Company

Bridgeline Digital, The Digital Engagement Company™, enables its customers to maximize the performance of their –mission critical websites, intranets and online stores. Our iAPPS® platform deeply integrates Web Content Management, eCommerce, eMarketing, Social Media management, and Web Analytics to help marketers deliver online experiences that attract, engage and convert their customers across all digital channels. Our iAPPS platform combined with its digital services assists customers in maximizing on-line revenue, improving customer service and loyalty, enhancing employee knowledge, and reducing operational costs. The iAPPSds (distributed subscription) product is a platform that empowers franchise and large dealer networks with state-of-the-art web engagement management while providing superior oversight of corporate branding. iAPPSds deeply integrates content management, eCommerce, eMarketing and web analytics and is a self-service web platform that is offered to each authorized franchise or dealer for a monthly subscription fee. Our iAPPSdsr platform, released in 2015, targets the growing multi-unit organizations with 10-500 locations providing them with powerful web engagement tools while maintaining corporate brand control and consistency.

The iAPPS Platform is an award-winning application recognized around the globe. Our teams of Microsoft Gold® certified developers have won over 100 industry related awards. In 2016, CIO Review selected iAPPS as one of the 20 Most Promising Digital Marketing Solution Providers. This followed accolades from the SIIA (Software and Information Industry Association) which recognized iAPPS Content Manager with the 2015 SIIA CODiE Award for Best Web Content Management Platform. Also in 2015, EContent magazine named iAPPS Digital Engagement Platform to its Trendsetting Products list. The list of 75 products and platforms was compiled by EContent's editorial staff, and selections were based on each offering's uniqueness and importance to digital publishing, media, and marketing. Bridgeline was also recognized in 2015 as a strong performer by Forrester Research, Inc. in its independence report, "The Forrester Wave™: Through-Channel Marketing Automation Platforms, Q3 2015." In recent years, iAPPS Content Manager and iAPPS Commerce products were selected as finalists for the 2014, 2013, and 2012 CODiE Awards for Best Content Management Solution and Best Electronic Commerce Solution, globally. In 2015, the SIIA (Software and Information Industry Association) awarded iAPPS Content Manager the 2015 SIIA CODiE Award for Best Web Content Management Platform. In 2014 and 2013, Bridgeline Digital won twenty-five Horizon Interactive Awards for outstanding development of web applications and websites. Also in 2013, the Web Marketing Association sponsored Internet Advertising Competition honored Bridgeline Digital with three awards for iAPPS customer websites and B2B Magazine selected Bridgeline Digital as one of the Top Interactive Technology companies in the United States. KMWorld Magazine Editors selected Bridgeline Digital as one of the 100 Companies That Matter in Knowledge Management and also selected iAPPS as a Trend Setting Product in 2013.

The iAPPS platform is delivered through a cloud-based SaaS ("Software as a Service") multi-tenant business model, whose flexible architecture provides customers with state of the art deployment providing maintenance, daily technical operation and support; or via a traditional perpetual licensing business model, in which the iAPPS software resides on a dedicated server in either the customer's facility or Bridgeline's co-managed hosting facility.

Bridgeline Digital was incorporated under the laws of the State of Delaware on August 28, 2000. Our principal place of business is 80 Blanchard Road, Burlington, MA 01803. Our telephone number is (781) 376-5555. Our corporate website address is <http://www.bridglinedigital.com>. No portion of our website is incorporated by reference into this prospectus. Our common stock, par value \$0.001 per share, is currently listed for quotation on the NASDAQ Capital Market under the symbol "BLIN."

Description of Private Placements

November Private Placement

On November 3, 2016, we entered into Securities Purchase Agreements (“Purchase Agreements”) with certain institutional and accredited investors (the “Purchasers”) to sell an aggregate total of 1,741,670 shares of our common stock for \$0.48 per share (the “Purchaser Shares”) (the “November Private Placement”). As additional consideration, we issued to the Purchasers warrants to purchase an aggregate total of 870,835 shares common stock (the “Purchaser Warrant Shares”). Each Purchaser Warrant expires five and one-half years from the date of issuance and is exercisable for \$0.70 per share beginning six-months from the date of issuance, or May 9, 2017.

The Company and the Purchasers also entered into a Registration Rights Agreement (the “Registration Rights Agreement”), wherein the Company agreed to file a registration statement to register the Purchaser Shares and Purchaser Warrant Shares under the Securities Act of 1933, as amended (the “Securities Act”). The registration statement, of which this prospectus forms a part, was filed with the SEC to satisfy our obligations under the Registration Rights Agreement.

Table of Contents

Piggyback Registration Rights

Prior to the November Private Placement, we completed several private placements of our securities, including equity and debt issuances. As a part of these transactions, we offered certain investors piggyback registration rights such that, in the event we filed a registration statement to register our securities under the Securities Act, the shares of common stock issued or issuable to those investors would be eligible to also be registered under the Securities Act.

Accordingly, in addition to the Purchaser Shares, a total of [] shares are included in the registration statement, of which this prospectus forms a part, pursuant to these previously granted piggyback registration rights. These shares include: (i) [] shares of common stock issued on or about July 15, 2016 and upon conversion of certain Subordinated Convertible Promissory Notes, issued on or about May 11, 2016 (the “Piggyback Shares”) and (ii) [] shares issuable upon exercise of warrants (the “Piggyback Warrants”) issued on or about June 19, 2013 (the “Piggyback Warrant Shares”).

We completed the November Private Placement, as well as the issuances of the Piggyback Shares and the Piggyback Warrants in reliance on an exemption to registration afforded by Section 4(a)(2) of the Securities Act and rules promulgated thereunder, including Regulation D. Each of the selling stockholders has represented that they qualify as an “accredited investor” as defined in Rule 501(a) under the Securities Act.

THE OFFERING

Securities Offered by the Selling Stockholders Up to [] shares of common stock

Common Stock Outstanding 18,683,351 shares (1)

The selling stockholders may from time to time offer and resell, transfer or otherwise dispose of any or Terms of the all of the shares of our common stock covered by this prospectus through underwriters or dealers, Offering directly to purchasers or through broker-dealers or agents. See “Plan of Distribution” on page 7 below for more information.

We will not receive any of the proceeds from the sale of the shares of common stock being offered under Use of this prospectus. We may receive proceeds from the exercise of the Purchaser Warrants or the Piggyback Proceeds Warrants, and any such proceeds will be used primarily for working capital and general corporate purposes. See “Use of Proceeds” on page 7 below for more information.

NASDAQ Capital Market Symbol BLIN

Risk You should read the “Risk Factors” section of this prospectus for a discussion of factors to consider carefully Factors before deciding to invest in shares of our common stock.

(1)

Based upon the total number of issued and outstanding shares as of November 14, 2016. Excludes the [] shares of our common stock that may be issued as Purchaser Warrant Shares and/or Piggyback Warrant Shares to the selling stockholders.

RISK FACTORS

We face a variety of significant and diverse risks, many of which are inherent in our business. You should carefully consider the risks described under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other filings we make with the SEC pursuant to Section 13(a), 13(c),

14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), incorporated by reference herein, before making an investment decision. The occurrence of any of those risks could materially and adversely affect our business, prospects, financial condition, results of operations, or cash flow. Other risks and uncertainties that we do not now consider material or of which we are not now aware may become important factors that affect us in the future. You should carefully consider the risks and uncertainties described in the documents incorporated by reference herein before deciding to invest in our common stock.

Table of Contents

DESCRIPTION OF COMMON STOCK

The following summary description sets forth some of the general terms and provisions of our common stock. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of our common stock, you should refer to the applicable provisions of the General Corporation Law of the State of Delaware (the “DGCL”) and our charter and bylaws as in effect at the time of any offering. Copies of our Restated Certificate of Incorporation, as amended, and our Amended and Restated Bylaws are included as exhibits to the registration statement of which this prospectus forms a part.

General

Under our Amended and Restated Certificate of Incorporation, as amended (our “Certificate of Incorporation”) we are authorized to issue 50,000,000 shares of our common stock, par value \$0.001 per share, and 1,000,000 shares of preferred stock, par value \$0.001 par value per share. As of November 14, 2016, there were 18,683,351 shares of our common stock issued and outstanding and 224,458 shares of our preferred stock issued and outstanding.

Voting Rights. The holders of common stock are entitled to one vote per share on all matters. The common stock does not have cumulative voting rights, which means that holders of the shares of common stock with a majority of the votes to be cast for the election of directors can elect all directors then being elected.

Dividends. Each share of common stock has an equal and ratable right to receive dividends to be paid from our assets legally available therefore when, as and if declared by our Board of Directors. We do not anticipate paying cash dividends on the common stock in the foreseeable future.

Liquidation. In the event we dissolve, liquidate or wind up, the holders of common stock are entitled to share equally and ratably in the assets available for distribution after payments are made to our creditors and to the holders of any outstanding preferred stock we may designate and issue in the future with liquidation preferences greater than those of the common stock.

Other. The holders of shares of our common stock have no preemptive, subscription or redemption rights and are not liable for further call or assessment. All of the outstanding shares of common stock are, and the shares of common stock offered hereby will be, fully paid and nonassessable. Prior to the date of this prospectus, there has been no established public trading market for the common stock.

Anti-Takeover Provisions of Delaware Law and Our Governing Documents

Delaware Law

We are subject to Section 203 of the DGCL (“Section 203”). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in “business combination” transactions with any “interested stockholder” for a period of three years following the time that the stockholder became an interested stockholder, unless:

prior to the time the stockholder became an interested stockholder, either the applicable business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation’s board of directors;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the

transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the voting stock owned by the interested stockholder) shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which the employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

at or subsequent to the time that the stockholder became an interested stockholder, the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Table of Contents

A “business combination” is defined to include, in general and subject to exceptions, a merger of the corporation with the interested stockholder; a sale of 10% or more of the market value of the corporation’s consolidated assets to the interested stockholder; certain transactions that result in the issuance of the corporation’s stock to the interested stockholder; a transaction that has the effect of increasing the proportionate share of the corporation’s stock owned by the interested stockholder; and any receipt by the interested stockholder of loans, guarantees or other financial benefits provided by the corporation. An “interested stockholder” is defined to include, in general and subject to exceptions, a person that (1) owns 15% or more of the outstanding voting stock of the corporation or (2) is an “affiliate” or “associate” (as defined in Section 203) of the corporation and was the owner of 15% or more of the corporation’s outstanding voting stock at any time within the prior three year period.

A Delaware corporation may opt out of Section 203 with an express provision in its original certificate of incorporation or by an amendment to its certificate of incorporation or bylaws expressly electing not to be governed by Section 203 and approved by a majority of its outstanding voting shares. We have not opted out of Section 203. As a result, Section 203 could delay, deter or prevent a merger, change of control or other takeover of our company that our stockholders might consider to be in their best interests, including transactions that might result in a premium being paid over the market price of our common stock, and may also limit the price that investors are willing to pay in the future for our common stock.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for our Board of Directors to issue one or more series of preferred stock with voting or other rights or preferences. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board of Directors or a committee of the Board of Directors.

Stockholder Action by Written Consent; Special Meetings of Stockholders

Our stockholders may take action by written consent in lieu of a meeting as provided in our bylaws. Our bylaws provide that certain procedures, including notifying the Board of Directors and awaiting a record date, must be followed for stockholders to act by written consent. A special meeting of our stockholders may be called only by our Board of Directors, the Chairman of the Board, or the President. A special meeting may also be called at the request of stockholders holding a majority of the aggregate number of shares of capital stock of the Company issued and outstanding and entitled to vote at that meeting (subject to certain timeliness and content requirements of the demand).

Amendment of Certificate of Incorporation and Bylaws

Our charter may be amended by the affirmative vote of a majority of the aggregate number of shares of each class of our capital stock issued and outstanding after a resolution of our Board of Directors declaring the advisability of such amendment has been adopted in accordance with Delaware law. Our bylaws may be amended by the affirmative vote of a majority of the aggregate number of shares of each class of our capital stock issued and outstanding (and entitled to vote on the subject matter) present in person or represented by proxy at a meeting of stockholders provided that notice thereof is stated in the written notice of the meeting. Our bylaws may also be amended by a majority of the Board of Directors in accordance with Delaware law and our charter.

Table of Contents

SELLING STOCKHOLDERS

The “selling stockholders” named in this prospectus may sell shares of our common stock registered pursuant to the registration statement of which this prospectus forms a part. This prospectus covers the resale of [] shares of common stock, including 1,741,670 Purchaser Shares, 870,835 shares of common stock issuable as Purchaser Warrant Shares, [] Piggyback Shares and [] shares of common stock issuable as Piggyback Warrant Shares, by the selling stockholders named in this prospectus. The selling stockholders are not required to offer any of the shares of our common stock covered by this prospectus for resale. Since the selling stockholders may sell all, some or none of their shares, and may or may not exercise any or all of the warrants, we cannot estimate the aggregate number of shares that the selling stockholders will offer pursuant to this prospectus or that the selling stockholders will own upon completion of the offering to which this prospectus relates.

Information about additional selling stockholders may be set forth in a pre-effective and/or post-effective amendment to the registration statement of which this prospectus forms a part, a prospectus supplement, or in filings that we make with the SEC under the Exchange Act, which are incorporated by reference in this prospectus.

The following table sets forth information with respect to our common stock beneficially owned by the selling stockholders as of November 14, 2016:

Name of Selling Stockholder	Shares Beneficially Owned Prior	Shares Offered	Warrant Shares Offered	Shares Beneficially Owned After (2)	
	to Resale (1)	for Resale	for Resale	Number	Percent +
Iroquois Master Fund Ltd. (3)	468,750	468,750	234,375	-	*
Iroquois Capital Investment Group, Inc. (4)	52,083	52,083	26,042	-	*
CVI Investments, Inc. (5)	300,000				