

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.
Form S-4/A
November 07, 2006

As filed with the Securities and Exchange Commission on November 7, 2006

Registration No. 333-137752

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

**FORM S-4
(PRE-EFFECTIVE AMENDMENT NO. 1)
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>3699</u> (Primary Standard Industrial Classification Code Number)	<u>98-0509431</u> (I.R.S. Employer Identification No.)
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Guoshen Tu
4/F, East 3/B, Saige Science & Technology Park
Huaqiang, Shenzhen, China 518028
(86) 755-83765666
(Address, including zip code, and telephone number, including area code of
registrant's principal executive offices)

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(Name, address, including zip code and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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 of 1933, as amended, 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 of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Calculation of Registration Fee

<i>Title of each class of securities to be registered</i>	<i>Amount to be registered(1)</i>	<i>Proposed maximum offering price per share</i>	<i>Proposed maximum aggregate offering price</i>	<i>Amount of registration fee (2)</i>
Common Stock, par value \$0.0001 per share	29,209,259	\$ 5.65	165,032,313	\$ 17,659
Shares underlying warrants to be assumed in the transaction with an exercise price of \$3.80	150,000	\$ 5.65	847,500	\$ 91
Shares underlying warrants to be assumed in the transaction with an exercise price of \$3.00	266,667	\$ 5.65	1,506,669	\$ 161
Shares underlying warrants to be assumed in the transaction with an exercise price of \$4.80	926,918	\$ 5.65	5,237,087	\$ 560
Shares underlying warrants to be assumed in the transaction with an exercise price of \$4.20	324,421	\$ 5.65	1,832,979	\$ 196
Shares underlying warrants to be assumed in the transaction with an exercise price of \$1.85	100,000	\$ 5.65	565,000	\$ 60
Total	30,977,265	-	175,021,547	\$ 18,728⁽³⁾

(1) This registration statement relates to the common stock, par value \$0.0001 per share, of the registrant, issuable to holders of common stock, par value \$0.01 per share, of China Security and Surveillance Technology Inc. (the British Virgin Islands corporation), and to holders of warrants exercisable for the purchase of common stock of China Security and Surveillance Technology Inc. (the British Virgin Islands corporation) that are being assumed by the registrant pursuant to the proposed reincorporation described herein. Pursuant to Rule 416(b) under the Securities Act of 1933, as amended, there shall be deemed covered hereby all additional securities resulting from antidilution adjustments, if any, required under the merger agreement described herein.

(2) Estimated pursuant to Rule 457(c) under the Securities Act of 1933, as amended, solely for the purpose of computing the amount of the registration fee. The fee for the common stock was based on the average of the closing bid and asked prices of the common stock reported on the OTC Bulletin Board on September 27, 2006.

(3) \$18,697 registration fee was previously paid in connection with the filing of the original registration statement on October 2, 2004.

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 that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not issue the common stock to be issued in connection with the merger described in this prospectus until the registration statement filed with the Securities and Exchange Commission, of which this prospectus is a part, is declared effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any representation to the contrary is a criminal offense.

PROSPECTUS

Subject to completion, dated _____, 2006

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.

**30,977,265 shares of common stock
\$0.0001 par value per share**

China Security & Surveillance Technology, Inc. or CSST Delaware, a Delaware corporation, is registering 30,977,265 shares of its common stock, or the Common Stock (including 1,768,006 shares of common stock which are issuable upon the exercise of warrants for the purchase of common stock of China Security and Surveillance Technology Inc. or CSST BVI, a British Virgin Islands company, that are being assumed by CSST Delaware, for issuance to the stockholders and warrant holders of CSST BVI, pursuant to the merger agreement between CSST Delaware and CSST BVI).

Common stock of CSST BVI, is traded on the OTC Bulletin Board under the symbol "CSSTF.OB". The last reported bid price of the common stock of CSST BVI, on November 3, 2006 was \$8.24 per share.

Investing in the common stock involves a high degree of risk. See "Risk Factors" beginning on page 8 to read about certain risks you should consider before investing in shares of our common stock.

Neither the Securities and Exchange Commission, any state securities commission nor any other regulatory authority, has approved or disapproved any of these securities nor have any of the foregoing authorities passed upon or endorsed the merits of this plan of merger or the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.

Our principal executive offices are located at 4/F, East 3/B, Saige Science & Technology Park, Huaqiang, Shenzhen, China 518028 and the telephone number is (86) 755-83765666.

The date of this prospectus is _____, 2006.

ABOUT THIS PROSPECTUS

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. Requests for information should be made to Guoshen Tu, CEO and President, 4/F, East 3/B, Saige Science & Technology Park, Huaqiang, Shenzhen, China 518028, telephone number (86) 755-83765666. To obtain timely delivery, you must request the information no later than _____, 2006, which is five business days before the date you must make your investment decision.

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**CAUTIONARY STATEMENT CONCERNING
FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated by reference into this prospectus contain or may contain “forward-looking statements.” These forward-looking statements include, without limitation, those statements as to:

- the anticipated closing date of the reincorporation;
- the anticipated tax treatment of the reincorporation;
- the benefits expected to result from the reincorporation;
- our future business activity, performance and financial condition following the reincorporation;
- the perceived advantages resulting from the reincorporation; and
- the ability to retain key personnel before and after the reincorporation.

Any statements contained herein, including, without limitation, statements to the effect that we or our management “believe,” “expect,” “anticipate,” “plan,” “may,” “will,” “project,” “continue,” “estimate” or statements concerning “potential” “opportunity” or other variations thereof or comparable terminology or the negative thereof, that are not statements of historical fact should be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially and adversely from those anticipated in the forward-looking statements as a result of several factors, including those set forth in “Risk Factors” beginning on page 8, which you should review carefully.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We do not undertake any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events, except as required by law.

USE OF CERTAIN TERMS

In this prospectus, all references to “we,” “us,” “our,” “our Company,” “the Company” or “CSST” are to China Security & Surveillance Technology, Inc., a Delaware corporation, and China Security and Surveillance Technology Inc., a British Virgin Islands corporation, when the distinction between the two companies is not important to the discussion. When the distinction between the two companies is important to the discussion, we use the term “CSST Delaware” to refer to China Security & Surveillance Technology, Inc., a Delaware corporation, and the term “CSST BVI” to refer to China Security and Surveillance Technology Inc., a British Virgin Islands corporation. Unless the context otherwise requires, all references to (i) “Safetech” are to China Safetech Holdings Limited, a British Virgin Islands corporation; (ii) “Golden” are to Golden Group Corporation (Shenzhen) Limited, a corporation incorporated in the People’s Republic of China; (iii) “BVI” are to British Virgin Islands; (iv) “PRC” and “China” are to People’s Republic of China; (v) “U.S. dollar,” “\$” and “US\$” are to United States dollars; (vi) “RMB” are to Yuan Renminbi of China; (vii) “IBC Act” are to the BVI International Business Companies Ordinance Cap. 291; (viii) “Securities Act” are to Securities Act of 1933, as amended; and (ix) “Exchange Act” are to the Securities Exchange Act of 1934, as amended.

SUMMARY

The following is a summary that highlights information contained in this prospectus. This summary may not contain all of the information that may be important to you and it is qualified in its entirety by the more detailed information appearing elsewhere in this document or that is incorporated by reference or attached as Annexes to this document. Page references are included in parentheses to direct you to a more complete description of the items presented in this summary. You may obtain the information incorporated by reference into this prospectus without charge by following the instructions in the section entitled “Where You Can Find More Information” beginning on page 58 of this prospectus.

The Companies

CHINA SECURITY AND SURVEILLANCE TECHNOLOGY INC., A BVI CORPORATION

China Security and Surveillance Technology Inc.
4/F, East 3/B, Saige Science & Technology Park
Huaqiang, Shenzhen, China 518028
(86) 755-83765666

CSST BVI was incorporated in the BVI on April 8, 2002 under the name “Apex Wealth Enterprises Limited” as a corporation under the International Business Companies Ordinance, Cap. 291. In February 2006, it changed its name to China Security and Surveillance Technology Inc. Prior to its reverse acquisition of Safetech, which was consummated on September 12, 2005, CSST BVI was a development stage enterprise and had not yet generated any revenues. At that time, CSST BVI provided business advisory and management consulting services in greater China, initially concentrating on the Hong Kong market. The focus of these services was on small to medium size enterprises.

On September 12, 2005, CSST BVI acquired 50,000 shares of the issued and outstanding capital stock of Safetech, constituting all of the issued and outstanding capital stock of Safetech. The 50,000 shares of Safetech were acquired from the individual shareholders of Safetech in a share exchange transaction in return for the issuance of 8,138,000 shares of common stock of CSST BVI. As a result of this transaction, Safetech became a wholly-owned subsidiary of CSST BVI, and Golden became an indirect wholly-owned subsidiary of CSST BVI. Completion of the transaction resulted in a change in control of CSST BVI. After the transaction, CSST BVI was no longer a shell company and CSST BVI’s business became the business of its indirect wholly-owned subsidiary, Golden. Golden was incorporated in January 1995 in the PRC, and is engaged in the business of manufacturing, distributing, installing and maintaining security and surveillance systems, with its headquarters in Shenzhen, China.

CSST BVI’s common stock is quoted on the Over-The-Counter Bulletin Board or OTCBB in the United States under the symbol “CSSTF.OB”. CSST BVI has not appointed an agent for service of process in the United States.

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC., A DELAWARE CORPORATION

China Security & Surveillance Technology, Inc.
4/F, East 3/B, Saige Science & Technology Park
Huaqiang, Shenzhen, China 518028
(86) 755-83765666

CSST Delaware was formed as a wholly-owned subsidiary of CSST BVI solely for the purpose of changing the domicile of CSST BVI from the BVI to the state of Delaware. CSST Delaware had no assets or operations other than incident to its formation. After the reincorporation, CSST BVI will merge with and into CSST Delaware, with CSST Delaware as the surviving company, and the current stockholders of CSST BVI will become stockholders of CSST

Delaware.

It is anticipated that the shares of common stock of CSST BVI will cease to trade on the OTCBB and the shares of common stock of CSST Delaware will begin trading under the same trading symbol on or about the effective date of the reincorporation.

The Business Combination

THE REINCORPORATION

(See page 16)

On September 30, 2006, CSST BVI and its wholly owned subsidiary CSST Delaware entered into a plan of merger, pursuant to which CSST BVI will merge with and into CSST Delaware, with CSST Delaware as the surviving corporation. The reincorporation is subject to various conditions and rights of termination described in this prospectus and the merger agreement. We have attached a copy of the merger agreement as Annex A to this prospectus. We encourage you to read carefully the merger agreement in its entirety because it is the legal document that governs the reincorporation.

WHAT YOU WILL RECEIVE IN THE REINCORPORATION

(See page 18)

In the reincorporation, each outstanding whole share of common stock of CSST BVI will convert automatically into one share of common stock of CSST Delaware. In addition, each of the outstanding warrants to purchase shares of CSST BVI common stock, if not exercised before the completion of the reincorporation, will become warrants to acquire, at the same exercise price, an identical number of shares of CSST Delaware common stock.

On the record date, there were outstanding 29,209,259 shares of CSST BVI common stock. There were also outstanding warrants to purchase a total of 1,768,006 shares of CSST BVI common stock.

CONDITIONS TO COMPLETION OF THE REINCORPORATION

(See page 18)

The completion of the merger depends on the satisfaction of a number of conditions, including, but not limited to, the following:

- approval of the merger agreement by CSST BVI's shareholders;
- approval of the merger agreement by the board of directors of both CSST BVI and CSST Delaware;
- absence of any temporary restraining order, preliminary or permanent injunction or other legal restraints preventing consummation of the reincorporation;
- absence of any event that has or would result in the triggering of any right or entitlement of any security holder of CSST BVI that would not have been triggered absent the consummation of the reincorporation; and
- receipt of approval for quotation on the OTCBB of the shares of common stock of CSST Delaware common stock to be issued in the reincorporation.

AMENDMENT AND TERMINATION OF THE MERGER AGREEMENT

(See page 19)

The merger agreement can be terminated, even after approval by its shareholders, if the board of directors of CSST BVI determines to do so. The plan of merger can also be amended by the board of directors of CSST BVI and CSST Delaware at any time prior to its being filed with one or more of the appropriate authorities. However, under the BVI laws, if the amendment is made after shareholders of CSST BVI have approved, then the amended merger agreement should be brought before the members of CSST BVI for their approval again.

REASONS FOR THE REINCORPORATION

(See page 16)

On April 4, 2006, CSST BVI entered into a stock purchase agreement with certain investors pursuant to which CSST BVI covenanted to change its domicile from BVI to a jurisdiction within the U.S. The CSST BVI board of directors determined that the reincorporation is fair to, and in the best interests of, CSST BVI and its stockholders and has approved the merger agreement and the reincorporation based on a number of factors, including, without limitation, the following:

- perceived credibility and enhanced corporate image of being a Delaware company;
- greater flexibility of Delaware corporate law and the substantial body of case law;
- attractiveness of Delaware law to directors and officers; and
- compliance with the stock purchase agreement dated April 4, 2006, which would impose a penalty for failure to timely effect the reincorporation of CSST BVI to a jurisdiction within the U.S.

APPROVAL OF THE SHAREHOLDERS

The approval of the reincorporation requires the affirmative votes of the holders of a majority of the outstanding shares of the common stock of each of CSST BVI and CSST Delaware on the record date, which has been fixed as September 29, 2006. CSST BVI expects to receive written consent approving the merger from shareholders holding a majority of the outstanding shares of CSST BVI common stock. Approximately 65% shares of CSST BVI common stock is held by its directors, executive officers and affiliates.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

(See page 19)

The reincorporation will qualify as a reorganization for United States federal income tax purposes. Accordingly, no gain or loss should be recognized by CSST BVI stockholders as a result of their exchange of CSST BVI common stock for the common stock of CSST Delaware.

ACCOUNTING TREATMENT

For U.S. accounting purposes, the reincorporation of our company from a BVI company to a Delaware company represents a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost.

REGULATORY MATTERS

The reincorporation is not subject to any federal or state regulatory requirement or approval in the United States or BVI, except for filings necessary to effectuate the transactions contemplated by the reincorporation proposals with the State of Delaware and the BVI.

DISSENTERS' RIGHTS OF APPRAISAL

(See page 29)

The laws of the BVI provide you, as a shareholder, with the right to dissent from the proposal to approve the merger agreement and with appraisal rights in relation to the value of your CSST BVI ordinary shares in the context of the reincorporation. This means that you are entitled to have the fair value of your shares determined by a committee of three appraisers and to receive payment based on that valuation. The ultimate amount you receive for your CSST BVI ordinary shares as a dissenting shareholder in an appraisal proceeding may be more or less than, or the same as, the amount you would have received under the merger agreement. Your failure to follow exactly the procedures specified under the laws of the BVI will result in the loss of your appraisal rights. See “Dissenters’ Rights of Appraisal” beginning on page 29 and Annex D—Section 83 of the IBC Act.

COMPARISON OF RIGHTS OF SECURITY HOLDERS

(See page 24)

Upon completion of the reincorporation, CSST BVI stockholders will be holders of shares of CSST Delaware common stock. After that time, their rights will be governed by the Delaware General Corporation Law, which we refer to as DGCL, as well as CSST Delaware's certificate of incorporation and bylaws. The material differences between the rights of CSST BVI stockholders and those of CSST Delaware stockholders are described, beginning on page 24.

QUOTATION OF CSST DELAWARE COMMON STOCK ON THE OTCBB; REMOVAL FROM QUOTATION AND DE-REGISTERING OF CSST BVI COMMON STOCK

The completion of the m