

Staffing 360 Solutions, Inc.
Form 424B5
June 16, 2016
Filed pursuant to Rule 424(b)(5)

Registration No. 333-208910

PROSPECTUS SUPPLEMENT

(To prospectus dated March 23, 2016)

210,645 Shares

STAFFING 360 SOLUTIONS, INC.

Common Stock

We are offering shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

Our common stock is traded on the NASDAQ Capital Market under the symbol "STAF." On June 15, 2016, the last reported sale price of our common stock on the NASDAQ Capital Market was \$2.02. The aggregate market value of our outstanding common stock held by non-affiliates is \$10,043,038, based on 6,306,744 shares of outstanding common stock on June 15, 2016, of which 4,971,801 shares are held by non-affiliates, and a per share price of \$2.02 based on the closing sale price of our common stock on June 15, 2016.

On May 31, 2016 we issued and sold 148,939 shares of our common stock at a purchase price of \$2.35 per share, for aggregate proceeds of approximately \$350,000, before placement fees and estimated offering expenses. On May 23, 2016 we issued and sold 212,766 shares of our common stock at a purchase price of \$2.35 per share, for aggregate proceeds of approximately \$500,000, before placement fees and estimated offering expenses. On April 4, 2016 we issued and sold 527,000 shares of our common stock at a purchase price of \$2.85 per share, for aggregate proceeds of approximately \$1.5 million, before placement fees and estimated offering expenses. In addition, on April 7, 2016 we issued and sold 175,439 shares of our Series C Preferred Shares, par value \$0.00001 per share at a purchase price of \$2.85 per share, for aggregate proceeds of approximately \$500,000, before placement fees and estimated offering expenses. Each share of Series C Preferred Shares is convertible into common stock in accordance with the Certificate of Designation for the Series C Preferred Shares. The aforementioned offerings of common stock and Series C Preferred Shares, were made under our shelf registration statement on Form S-3 (Registration No. 333-208910), including a related prospectus dated March 23, 2016, as supplemented by Prospectus Supplements dated April 4, 2016, April 7, 2016, May 23, 2016, and May 31, 2016, which were filed with the Securities and Exchange Commission pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended. We have not otherwise offered or sold any securities during the prior 12 calendar month period that ends on, and includes, the date of this prospectus supplement, pursuant to General Instruction I.B.6. of Form S-3.

Accelerated Capital Group, Inc. is acting as placement agent on this transaction. The placement agent is not purchasing or selling any of these securities nor is the placement agent required to arrange for the sale of any specific number or dollar amount of securities, but has agreed to use reasonable best efforts to arrange for the sale of the securities offered by this prospectus supplement. There is no required minimum number of shares that must be sold as a condition to completion of the offering. We have agreed to pay the placement agent the placement agent fees set forth in the table below.

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Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page S-3 of this prospectus supplement to read about factors you should consider before buying any shares.

	Per Share	Total
Public offering price	\$2.35	\$495,006.55
Agent discounts and commissions(1)	\$0.26	\$54,450.72
Proceeds, before expenses, to us	\$2.09	\$440,555.83

(1) See “Plan of Distribution” beginning on page S-8 for a description of the compensation payable to the agent.

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

Delivery of the shares of common stock is expected to occur on or about June 16, 2016.

Accelerated Capital Group, Inc.

The date of this prospectus supplement is June 16, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

A registration statement on Form S-3 (File no. 333-208910) utilizing a shelf registration process relating to the securities described in this prospectus supplement was initially filed with the Securities and Exchange Commission, or the SEC, on January 7, 2016 and, as amended, was declared effective on March 22, 2016.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our common stock and also adds, updates and changes information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document filed prior to the date of this prospectus supplement and incorporated by reference, the information in this prospectus supplement will control.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. This prospectus supplement is not an offer to sell or solicitation of an offer to buy these securities in any circumstances under which the offer or solicitation is unlawful. We are offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted. You should not assume that the information we have included in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus, respectively, or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any of our securities.

We obtained the industry and market data in this prospectus supplement, the accompanying prospectus and the incorporated documents from our own research as well as from industry and general publications, surveys and studies conducted by third parties. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference into this prospectus supplement and accompanying prospectus. This summary does not contain all of the information that you should consider before investing in our securities. You should carefully read the entire prospectus supplement and the accompanying prospectus, including the “Risk Factors” section, starting on page S-3 of this prospectus supplement, as well as the financial statements and the other information incorporated by reference herein before making an investment decision. In this prospectus supplement and the accompanying prospectus, reference to “we,” “us,” “our,” and the “Company” refer to Staffing 360 Solutions, Inc. and its consolidated subsidiaries.

Business overview

Staffing 360 Solutions, Inc., was incorporated in the State of Nevada on December 22, 2009, as Golden Fork Corporation, which changed its name to Staffing 360 Solutions, Inc., trading symbol “STAF”, on March 16, 2012. On July 31, 2012, we commenced operations in the staffing sector. As a rapidly growing public company in the international staffing sector, our high-growth business model is based on finding and acquiring suitable, mature, profitable, operating, domestic and international staffing companies. Our targeted consolidation model is focused specifically on the accounting and finance, information technology (“IT”), engineering, administration and light industrial sectors.

Corporate information

We are a Nevada corporation. Our principal executive office is located at 641 Lexington Avenue, Suite 1526, New York, New York 10022, and our telephone number is (212) 634-6462. Our website is www.staffing360solutions.com, and the information included in, or linked to on, our website are not part of this prospectus. We have included our website address in this prospectus solely as a textual reference.

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The Offering

Common stock offered by us 210,645 shares of common stock.

Common stock to be outstanding after this offering 6,517,389 shares of common stock.

Use of proceeds We expect the net proceeds from this offering will be approximately \$405,000 after deducting underwriting discounts and commissions, as described in “Plan of Distribution,” and estimated offering expenses payable by us. We currently intend to use the net proceeds of this offering for working capital and general corporate purposes. See “Use of Proceeds” on page S-5.

Risk factors See “Risk Factors” beginning on page S-3 for a discussion of factors you should consider carefully when making an investment decision.

NASDAQ Capital Market symbol STAF

The number of shares of our common stock to be outstanding immediately after the closing of this offering is based on 6,306,744 shares of common stock outstanding as of June 15, 2016 and excludes, as of that date:

- o 320,500 shares of common stock issuable upon the exercise of stock options outstanding prior to this offering under our stock option plans and stock incentive plans, at a weighted average exercise price of \$13.26 per share;
- o 24,500 shares of common stock available for future grants under our stock option plans and stock incentive plans; and
- o 524,630 shares of common stock issuable upon the potential conversion of Series A Preferred Shares, Series B Preferred Shares, and Series C Preferred Shares; and
- o 83,764 shares of common stock issuable upon the exercise of warrants outstanding prior to this offering, at a weighted average exercise price of \$19.71 per share.

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RISK FACTORS

Before deciding to invest in our securities, you should consider carefully the following discussion of risks and uncertainties affecting us and our securities, as well as the risks and uncertainties incorporated by reference in this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the fiscal year ended May 31, 2015 and our Quarterly Reports on Form 10-Q for the periods ended August 31, 2015, November 30, 2015, and February 29, 2016, respectively, and the other information contained or incorporated by reference in this prospectus supplement. If any of the events anticipated by these risks and uncertainties occur, our business, financial condition and results of operations could be materially and adversely affected, and the value of our securities could decline. The risks and uncertainties we discuss in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus are those that we currently believe may materially affect our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may materially and adversely affect our business, financial condition and results of operations.

Since we have broad discretion in how we use the proceeds from this offering, we may use the proceeds in ways with which you disagree.

We have not allocated specific amounts of the net proceeds from this offering for any specific purpose. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used in ways you would agree with. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for our company. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flow.

If you purchase the common stock sold in this offering you will experience immediate and substantial dilution in your investment. You will experience further dilution if we issue additional equity securities in future fundraising transactions.

Based on the public offering price of \$2.35 per share and our net tangible book value as of February 29, 2016, if you purchase shares of common stock in this offering, you will realize immediate and substantial dilution of \$3.20 per share with respect to the net tangible book value of the common stock. See the section titled "Dilution" in this prospectus supplement for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

Future sales of our common stock may cause the prevailing market price of our shares to decrease.

We have issued a substantial number of shares of common stock that are eligible for resale under the Securities Act and are freely tradable. We have also registered 320,500 shares of common stock that are issuable upon the exercise of options and have registered 83,764 shares of common stock that are issuable upon the exercise of warrants outstanding as of June 15, 2016. If the holders of our options and warrants choose to exercise their purchase rights and sell the underlying shares of common stock in the public market, or if holders of currently restricted shares of our common stock choose to sell such shares in the public market, the prevailing market price for our common stock may decline. The sale of shares issued upon the exercise of our options and warrants could also further dilute the holdings of our then existing shareholders. In addition, future public sales of shares of our common stock could impair our ability to raise capital by offering equity securities.

The volume of our common stock has been, and may continue to be, volatile, which could reduce the market price of our common stock.

The publicly traded shares of our common stock have experienced, and may continue to experience, significant volume and price volatility. This volatility could reduce the market price of our common stock, regardless of our operating performance. In addition, both the volume and the trading price of our common stock could change significantly over short periods of time in response to, among other things, actual or anticipated variations in our quarterly operating results, announcements by us and/or changes in national or regional economic conditions, making it more difficult for shares of our common stock to be sold at a favorable price or at all.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement may include or incorporate by reference “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Exchange Act. Our use of the words “may,” “will,” “would,” “could,” “should,” “believes,” “estimates,” “projects,” “potential,” “expects,” “plans,” “intends,” “evaluates,” “pursues,” “anticipates,” “continues,” “designs,” “impacts,” “forecasts,” “target,” “outlook,” “initiative,” “designed,” “priorities,” “goal” or the negative of those words or other similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. All statements included or incorporated by reference in this prospectus and any accompanying prospectus supplement, and in related comments by our management, other than statements of historical facts, including without limitation, statements about future events or financial performance, are forward-looking statements that involve certain risks and uncertainties.

These statements are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors that we believe are appropriate in the circumstances. While these statements represent our judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. Whether actual future results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including the risks and uncertainties discussed in this prospectus, any prospectus supplement and the documents incorporated by reference under the captions “Risk Factors” and “Forward-Looking Statements” and elsewhere in those documents.

Consequently, all of the forward-looking statements made in this prospectus and any prospectus supplement, as well as all of the forward-looking statements incorporated by reference to our filings under the Exchange Act, are qualified by these cautionary statements and there can be no assurance that the actual results or developments that we anticipate will be realized or, even if realized, that they will have the expected consequences to or effects on us and our subsidiaries or our businesses or operations. We caution investors not to place undue reliance on forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other such factors that affect the subject of these statements, except where we are expressly required to do so by law.

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USE OF PROCEEDS

We expect the net proceeds from this offering to be approximately \$405,000, after deducting placement agent discounts and commissions, as described in “Plan of Distribution,” and estimated offering expenses payable by us. We currently intend to use the net proceeds of this offering for working capital and general corporate purposes.

We cannot estimate precisely the allocation of the net proceeds from this offering among these uses. The amounts and timing of the expenditures may vary significantly, depending on numerous factors, including the amount of cash generated internally from operations and the terms and availability of financing arrangements, as well as the amount of cash used in our operations. Our management will have broad discretion in the application of the net proceeds of this offering. We reserve the right to change the use of proceeds as a result of certain contingencies such as competitive or economic developments and other factors.

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DILUTION

Our net tangible book value on February 29, 2016 was approximately \$(4.9) million, or approximately \$(0.97) per share of common stock. Net tangible book value per share is determined by dividing our net tangible book value, which consists of tangible assets less total liabilities, by the number of shares of common stock outstanding on that date. Without taking into account any other changes in the net tangible book value after February 29, 2016, other than to give effect to our receipt of the estimated net proceeds from the sale of 210,645 shares of our common stock at an offering price of \$2.35 per share of common stock, less the underwriting fees and our estimated offering expenses, our as adjusted net tangible book value as of February 29, 2016, after giving effect to the items above, would have been approximately \$(4.4) million or \$(0.85) per share of common stock. This represents an immediate increase in the net tangible book value of \$0.12 per share of common stock to existing stockholders and an immediate dilution of \$3.20 per share of common stock to new investors. The following table illustrates this per share dilution:

Public offering price per share of common stock	\$2.35
Net tangible book value per share as of February 29, 2016	\$(0.97)
Increase in net tangible book value per share attributable to this offering	\$0.12
As adjusted net tangible book value per share as of February 29, 2016 after giving effect to this offering	\$(0.85)
Dilution in net tangible book value per share to new investors	\$3.20

The above table is based on 5,018,279 shares of our common stock outstanding as of February 29, 2016 and excludes, as of that date:

- o 322,000 shares of common stock issuable upon the exercise of stock options outstanding prior to this offering under our stock option plans and stock incentive plans, at a weighted average exercise price of \$13.20 per share;
- o 23,000 shares of common stock available for future grants under our stock option plans and stock incentive plans; and
- o 316,191 shares of common stock issuable upon the potential conversion of Series A Preferred Shares and Series B Preferred Shares; and
- o 1,276,056 shares of common stock issuable upon the exercise of warrants outstanding prior to this offering, at a weighted average exercise price of \$17.40 per share.

To the extent that any options or warrants are exercised, new options are issued under our stock option or stock incentive plans, or we otherwise issue additional shares of common stock in the future, there will be further dilution to new investors. In addition, we will likely choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

DESCRIPTION OF THE SECURITIES WE ARE OFFERING

In this offering, we are offering up to 210,645 shares of common stock.

Common Stock

The material terms and provisions of our common stock and each other class of our securities which qualifies or limit our common stock are described under the caption "Overview of Our Capital Stock" starting on page 12 of the accompanying prospectus.

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plan of distribution

Accelerated Capital Group, Inc. (“ACG”), which we refer to as the placement agent, has agreed to act as the placement agent in connection with this offering subject to the terms and conditions of a placement agency agreement between the Company and ACG. The placement agent is not purchasing or selling any securities offered by this prospectus supplement, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities, but it has agreed to use its good faith, best efforts to arrange for the sale of all of the securities offered hereby.

The placement agent proposes to arrange for the sale to one or more purchasers of the securities offered pursuant to this prospectus supplement through orders by the purchasers. Payment for securities by certain purchasers to purchase 210,645 shares of common stock will be made directly to the issuer. Upon closing, we will deliver to each investor that delivers funds, the number of shares purchased by such investor through the facilities of The Depository Trust Company (DTC) or in book entry-form with our transfer agent.

We negotiated the price for the securities offered in this offering with the purchasers. The factors considered in determining the price included the recent market price of our common stock, the general condition of the securities market at the time of this offering, the history of, and the prospects, for the industry in which we compete, our past and present operations, and our prospects for future revenues.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any fees or commissions received by it and any profit realized on the resale of securities sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, the placement agent is required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock by the placement agent. Under these rules and regulations, the placement agent:

- may not engage in any stabilization activity in connection with our securities; and
- may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

From time to time in the ordinary course of their respective businesses, the placement agent or its affiliates have in the past or may in the future engage in investment banking and/or other services with us and our affiliates for which it has or may in the future receive customary fees and expenses.

We also agreed to indemnify the purchasers against certain losses resulting from our breach of any of our representations, warranties, or covenants under agreements with the purchasers as well as under certain other circumstances described in the securities purchase agreement.

We have agreed to pay the placement agent upon the closing of this offering a cash fee equal to 11% of the aggregate purchase price paid by investors placed by the placement agent. In addition to the cash fee, we have agreed to reimburse the placement agent for certain of their out-of-pocket expenses incurred in connection with this offering, including fees and expenses of counsel for the placement agent, subject to a total reimbursement expense cap of up to 3% of the price of the Securities sold by the Selected Dealer in the offering.

We have agreed to indemnify the placement agent and certain other persons against certain liabilities, including liabilities under the Securities Act.

After deducting fees due to the placement agent and our estimated offering expenses, we expect the net proceeds from this offering to be approximately \$405,000 assuming completion of the maximum offering.

Delivery of shares of common stock issued and sold in this offering is expected to occur on or about June 16, 2016.

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EXPERTS

The financial statements as of May 31, 2015 and 2014 and for the years then ended incorporated by reference in this prospectus supplement have been so incorporated in reliance on the report of RBSM LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and, therefore, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov. The SEC's website contains reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the SEC. You may also read and copy any document we file with the SEC at the SEC's public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room.

This prospectus supplement constitutes a part of a registration statement on Form S-3 that we have filed with the SEC under the Securities Act. This prospectus supplement does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information about us and our securities we refer you to the registration statement and the accompanying exhibits and schedules. The registration statement may be inspected at the Public Reference Room maintained by the SEC at the address set forth above. Statements contained in this prospectus supplement regarding the contents of any contract or any other document filed as an exhibit are not necessarily complete. In each instance, reference is made to the copy of such contract or document filed as an exhibit to the registration statement, and each statement is qualified in all respects by that reference.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus supplement certain information we file with it, which means we can disclose important information to you by referring you to documents we have filed with the SEC. The information we incorporate by reference into this prospectus supplement is legally deemed to be a part of this prospectus supplement, except for any information superseded by other information contained in, or incorporated by reference into, this prospectus supplement. Our file number for filings we make with the SEC under the Exchange Act is 001-37575.

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement is deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement, or in any other document we subsequently file with the SEC, modifies or supersedes that statement. If any statement is modified or superseded, it does not constitute a part of this prospectus supplement and the accompanying prospectus, except as modified or superseded. Information that is "furnished to" the SEC shall not be deemed "filed with" the SEC and shall not be deemed incorporated by reference into this prospectus supplement or the accompanying prospectus is a part.

This prospectus supplement incorporates by reference the following reports and statements filed by us with the SEC:

- o Our Annual Report on Form 10-K for the fiscal year ended May 31, 2015, filed with the SEC on July 31, 2015,
- o The description of our common stock contained in our Registration Statement on Form 8-A filed on September 30, 2015 together with any amendments thereto;
- o Our Quarterly Reports on Form 10-Q for the quarters ended August 31, 2015, November 30, 2015 and February 29, 2016 filed with the SEC on October 15, 2015, January 14, 2016, and April 13, 2016, respectively; and

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oOur Current Reports on Form 8-K, filed with the SEC on September 4, 2015, September 15, 2015, September 17, 2015, September 28, 2015, November 5, 2015, November 10, 2015, December 31, 2015, February 11, 2016, April 7, 2016 and April 12, 2016.

We are also incorporating by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and the accompanying prospectus and prior to the termination of this offering, except for information furnished under Item 2.02 or Item 7.01 of our Current Reports on Form 8-K which is not deemed to be filed and not incorporated by reference herein.

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