

Iveda Solutions, Inc.
Form 424B3
August 14, 2015

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-202787

Prospectus Supplement No. 4 dated August 14, 2015

(To Prospectus dated May 12, 2015)

17,949,841 Shares

Common Stock

This Prospectus Supplement supplements and amends the Prospectus dated May 12, 2015 (the "Prospectus"), relating to the resale of up to 17,949,841 outstanding shares of common stock of Iveda Solutions, Inc. (the "Company") by the selling stockholders identified in the Prospectus.

This Prospectus Supplement is being filed to include the information set forth in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed by the Company with the Securities and Exchange Commission on August 14, 2015 (the "Form 10-Q"). The Form 10-Q is attached hereto.

This Prospectus Supplement is not complete without, and may not be delivered or utilized except in connection with the Prospectus, including any supplements and amendments thereto. This Prospectus Supplement should be read in conjunction with the Prospectus, which is to be delivered with this Prospectus Supplement. This Prospectus Supplement is qualified by reference to the Prospectus, except to the extent that the information in this Prospectus

Supplement updates or supersedes the information contained in the Prospectus, including any supplements and amendments thereto.

See “Risk Factors” beginning on page 5 of the Prospectus to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement is August 14, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2015

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 000-53285

IVEDA SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-2222203

(I.R.S. Employer Identification No.)

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1201 South Alma School Road, Suite 8500 85210
Mesa, Arizona (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (480) 307-8700

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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 <input type="checkbox"/> | Accelerated filer <input type="checkbox"/> |
| Non-accelerated filer <input type="checkbox"/>
(Do not check if a smaller reporting company) | Smaller reporting company <input checked="" type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 11, 2015 there were outstanding 27,451,690 shares of the registrant's common stock, \$0.00001 par value.

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PART 1 – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.****IVEDA SOLUTIONS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****JUNE 30, 2015 AND DECEMBER 31, 2014**

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$684,554	\$87,900
Restricted Cash	539,187	979,095
Accounts Receivable, Net	1,295,150	358,804
Inventory, Net	420,823	387,918
Other Current Assets	567,503	647,659
Total Current Assets	3,507,217	2,461,376
PROPERTY AND EQUIPMENT, NET	365,693	532,512
OTHER ASSETS		
Intangible Assets, Net	116,666	126,666
Other Assets	212,444	364,320
Total Other Assets	329,110	490,986
Total Assets	\$4,202,020	\$3,484,874
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts and Other Payables	\$2,224,650	\$2,166,246
Due to Related Parties	430,000	575,000
Short Term Debt	1,036,713	1,080,500
Derivative Liability	69,418	112,009
Current Portion of Long-Term Debt	-	34,610
Total Current Liabilities	3,760,781	3,968,365

LONG-TERM DIVIDENDS PAYABLE	463,072	272,901
STOCKHOLDERS' EQUITY		
Preferred Stock, \$0.00001 par value; 100,000,000 shares authorized		
Series A Preferred Stock, \$0.00001 par value; 10,000,000 shares authorized, 4,003,592 shares issued and outstanding as of June 30, 2015 and December 31, 2014	40	40
Series B Preferred Stock, \$0.00001 par value; 500 shares authorized, 302.5 and -0- shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	-	-
Common Stock, \$0.00001 par value; 100,000,000 shares authorized; 27,451,690 and 27,308,357 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	275	273
Additional Paid-In Capital	30,017,724	27,261,762
Accumulated Comprehensive Loss	(33,519)	(35,615)
Less Notes Receivable from Stockholder	(492,194)	(492,194)
Accumulated Deficit	(29,514,159)	(27,490,658)
Total Stockholders' Equity (Deficit)	(21,833)	(756,392)
 Total Liabilities and Stockholders' Equity	 \$4,202,020	 \$3,484,874

See accompanying Notes to Condensed Consolidated Financial Statements

IVEDA SOLUTIONS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	Three Months Ended June 30, 2015 (Unaudited)	Three Months Ended June 30, 2014 (Unaudited)	Six Months Ended June 30, 2015 (Unaudited)	Six Months Ended June 30, 2014 (Unaudited)
REVENUE				
Equipment Sales	\$ 726,695	\$ 191,705	\$ 1,141,218	\$ 402,016
Service Revenue	46,911	143,837	145,251	302,638
Other Revenue	1,955	15,720	14,915	21,472
TOTAL REVENUE	775,561	351,262	1,301,384	726,126
COST OF REVENUE	634,857	313,867	993,552	524,401
GROSS PROFIT	140,704	37,395	307,832	201,725
OPERATING EXPENSES	967,788	1,531,084	1,983,727	3,058,814
LOSS FROM OPERATIONS	(827,084)	(1,493,689)	(1,675,895)	(2,857,089)
OTHER INCOME (EXPENSE)				
Foreign Currency Gain	4,683	8,475	9,126	10,709
Gain on Derivatives and Debt Conversion	5,659	30,401	42,591	42,001
Loss on Disposal of Assets	(29,454)	-	(29,454)	-
Interest Income	7,594	1,874	13,677	1,877
Interest Expense	(28,894)	(119,949)	(66,925)	(175,953)
Total Other Income (Expense)	(40,412)	(79,199)	(30,985)	(121,366)
LOSS BEFORE INCOME TAXES	(867,496)	(1,572,888)	(1,706,880)	(2,978,455)
(PROVISION) FOR INCOME TAXES	(12,853)	(15,879)	(12,853)	(15,879)
NET LOSS	\$(880,349)	\$(1,588,767)	\$(1,719,733)	\$(2,994,334)
BASIC AND DILUTED LOSS PER SHARE	\$(0.03)	\$(0.06)	\$(0.06)	\$(0.11)
WEIGHTED AVERAGE SHARES	27,380,701	26,849,456	27,344,729	26,814,103

See accompanying Notes to Condensed Consolidated Financial Statements

IVEDA SOLUTIONS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	Three Months Ended June 30, 2015 (Unaudited)	Three Months Ended June 30, 2014 (Unaudited)	Six Months Ended June 30, 2015 (Unaudited)	Six Months Ended June 30, 2014 (Unaudited)
Net Loss	\$ (880,349)	\$ (1,588,767)	\$ (1,719,733)	\$ (2,994,334)
Other Comprehensive Loss				
Change in Equity Adjustment from Foreign Currency Translation, Net of Tax	565	1,834	2,096	33
Comprehensive Loss	\$ (879,784)	\$ (1,586,933)	\$ (1,717,637)	\$ (2,994,301)

See accompanying Notes to Condensed Consolidated Financial Statements

IVEDA SOLUTIONS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	Six Months Ended June 30, 2015 (Unaudited)	Six Months Ended June 30, 2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (1,719,733	) \$ (2,994,334)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	109,302	110,952
Amortization of Debt Discount	-	13,152
Amortization of Deferred Financing Costs	-	41,227
Gain on Derivatives and Debt Conversion	(42,591	) (42,001)
Stock Option Compensation	84,000	195,000
Bad Debt Expense	3,085	3,936
Loss on Disposal of Assets	29,454	-
Inventory Valuation Allowance	1,000	-
Common Stock Warrants Issued for Interest	14,826	-
(Increase) Decrease in Operating Assets and Liabilities		
Accounts Receivable	(924,865	) (104,288)
Inventory	(30,715	) (193,606)
Other Current Assets	93,989	9,821
Other Assets	(7,869) -
Accounts and Other Payables	(46,905	) (271,636)
Net Cash Used in Operating Activities	(2,437,022	) (3,231,777)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(5,055	) (214,378)
Proceeds from Sale of Equipment	5,353	-
Net Cash Provided by (Used in) Investing Activities	298	(214,378)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in Restricted Cash	461,896	169,834
Proceeds from (Payments on) Short-Term Notes Payable/Debt	(68,406	) 3,479,750
Proceeds from Exercise of Stock Options	-	8,636
Proceeds from (Payments to) Due to Related Parties	(145,000	) 88,000
Proceeds from Long-Term Debt, Net of Payments	(35,270	) (85,694)
Payments on Capital Lease Obligations	-	(1,961)
Payments on Dividends	(2,956) -
Deferred Finance Costs, Net	-	(98,978)
Series B Preferred Stock Issued, Net of Cost of Capital	2,821,482	-

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Net Cash Provided by Financing Activities	3,031,746	3,559,587
EFFECT OF EXCHANGE RATE CHANGES ON CASH	1,632	439
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	596,654	113,871
Cash and Cash Equivalents- Beginning of Period	87,900	559,729
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 684,554	\$ 673,600

See accompanying Notes to Condensed Consolidated Financial Statements

IVEDA SOLUTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Six Months Ended June 30, 2015 (Unaudited)	Six Months Ended June 30, 2014 (Unaudited)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 37,422	\$ 18,339
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Discount on Convertible Debt	\$ -	\$ 112,784
Establishment of Derivative Liability	\$ -	\$ 126,214
Common Stock Issued for Investor Relations	\$ 7,500	\$ -
Warrants Issued for Interest Expense	\$ 7,327	\$ -
Warrants Issued as Deferred Finance Costs	\$ -	\$ 13,430

See accompanying Notes to Condensed Consolidated Financial Statements

IVEDA SOLUTIONS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These statements should be read in conjunction with our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014. The operating results and cash flows for the six-month period ended June 30, 2015 are not necessarily indicative of the results that will be achieved for the full fiscal year ending December 31, 2015 or for future periods.

The accompanying condensed consolidated financial statements have been prepared without audit and reflect all adjustments, consisting of normal recurring adjustments, which are, in our opinion, necessary for a fair statement of the financial position and the results of operations for the interim periods. Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Estimates are used for, but not limited to, accounting for the allowance for doubtful accounts, impairment costs, depreciation and amortization, sales returns and discounts, warranty costs, uncertain tax positions and the recoverability of deferred tax assets, stock compensation, contingencies, and the fair value of assets and liabilities disclosed. Actual results and outcomes may differ from our estimates and assumptions. The statements have been prepared in accordance with GAAP and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such SEC rules and regulations.

The balance sheet at December 31, 2014 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

Consolidation

Effective April 30, 2011, we completed our acquisition of Sole Vision Technologies (dba MEGAsys), a company based in Taiwan. We consolidate our financial statements with the financial statements of MEGAsys. All intercompany balances and transactions have been eliminated in consolidation.

Going Concern

The accompanying condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Our Audit Report on the Consolidated Financial Statements for the year ended December 31, 2014 contained a going concern qualification. Since inception, we have generated an accumulated deficit from operations of approximately \$29.5 million at June 30, 2015 and have used approximately \$2.4 million in cash to fund operations through the six months ended June 30, 2015. As a result, a significant risk exists regarding our ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from this uncertainty.

We adopted a multi-step plan to enable us to continue to operate and begin to report operating profits. The highlights of that plan are as follows:

We developed Sentir[®], our cloud-based video management platform, and began executing on our strategy to license its use as a Video Surveillance as a Service (“VSaaS”) offering to partners such as telecommunications companies, Internet Service Providers (“ISPs”), data centers, and cable companies in order to gain access to their existing subscriber bases. Sentir was officially launched in April 2014.