

Research Solutions, Inc.
Form S-1
October 21, 2013

As filed with the Securities and Exchange Commission on October 21, 2013

Registration No. [_____]

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RESEARCH SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or jurisdiction of

incorporation or organization) Classification Code Number)

7389

(Primary Standard Industrial

11-3797644

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

5435 Balboa Blvd., Suite 202

Encino, CA 91316

(310) 477-0354

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Agent for Service:

Alan Urban, Chief Financial Officer

Research Solutions, Inc.

5435 Balboa Blvd., Ste. 202

Encino, CA 91316

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

Copy to:

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Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.

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 check the following box. x

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 post-effective amendment filed pursuant to Rule 462(d) 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. "

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.

Large accelerated filer " Accelerated filer "
 Non-accelerated filer " (Do not check if smaller reporting company) Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Offering Price Per Share	Proposed Aggregate Offering Price	Amount of Registration Fee
Common Stock Underlying \$2.00 Warrants	931,175	\$ 2.00	(3) \$ 1,862,350	\$ 239.87
Common Stock Underlying \$3.00 Warrants	390,000	\$ 3.00	(3) \$ 1,170,000	\$ 150.70
Total	1,321,175		\$ 3,032,350	\$ 390.57

(1) Pursuant to SEC Rule 416, also covers additional common shares that may be offered to prevent dilution as a result of stock splits or stock dividends.

(2)

Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457 under the Securities Act of 1933 based upon the last reported sale of the registrant's common stock on the OTCQB tier of the OTC Markets Group Inc. on September 19, 2013.

(3) Fee based on exercise price applicable to shares issuable upon exercise of warrants in accordance with Rule 457(g).

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, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED OCTOBER 21, 2013

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS

Research Solutions, Inc.

1,321,175 Shares

Common Stock

This prospectus relates to the resale of 1,321,175 shares of our common stock, by the selling stockholders identified in the selling stockholders tables beginning on page 10 of this prospectus (“Selling Stockholders”). We will not receive any proceeds from the sale of these shares by the Selling Stockholders.

The prices at which the Selling Stockholders may sell their shares will be determined by the prevailing market price for the shares or in privately negotiated transactions or in any other manner as described in the “*Plan of Distribution*” section of this prospectus. Information regarding the Selling Stockholders is provided under the “*Selling Stockholders*” section of this prospectus.

Our common stock is quoted on the OTCQB tier of the OTC Markets Group Inc., under the symbol “RSSS”. On October 15, 2013, the closing price of our common stock was \$1.41 per share. You are urged to obtain current market quotations of our common stock before purchasing any of the shares being offered for sale pursuant to this prospectus.

Our principal executive offices are located at 5435 Balboa Blvd., Suite 202, Encino, California, telephone number 310-477-0354.

Investing in our common stock is highly speculative and involves a high degree of risk. You should consider carefully the risks and uncertainties in the section entitled “Risk Factors” beginning on page 5 of this prospectus before investing in our common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is 2013

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Please read this prospectus carefully. It describes our business, our financial condition and our results of operations. We have prepared this prospectus so that you will have the information necessary to make an informed investment decision.

You may rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide information or to make representations not contained in this prospectus. This prospectus is neither an offer to sell, nor a solicitation of an offer to buy, these securities in any jurisdiction where an offer or solicitation would be unlawful. Neither the delivery of this prospectus, nor any sale made under this prospectus, means that the information contained in this prospectus is correct as of any time after the date of this prospectus. This prospectus may be used only where it is legal to offer and sell these securities.

USE OF MARKET AND INDUSTRY DATA

This prospectus includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by our management on the basis of its knowledge of and experience in the industries in which we operate (including our management's estimates and assumptions relating to such industries based on that knowledge). Management's knowledge of such industries has been developed through its experience and participation in these industries. While our management believes the third party sources referred to in this prospectus are reliable, neither we nor our management have independently verified any of the data from such sources referred to in this prospectus or ascertained the underlying economic assumptions relied upon by such sources. Internally prepared and third party market forecasts, in particular, are estimates only and may be inaccurate, especially over long periods of time. In addition, the underwriters have not independently verified any of the industry data prepared by management or ascertained the underlying estimates and assumptions relied upon by management. Furthermore, references in this prospectus to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this prospectus.

ADVISEMENT

We urge you to read this entire prospectus carefully, including the "Risk Factors" section and the financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2013, filed with the Securities and Exchange Commission ("SEC") as well as all subsequent Quarterly Reports on Form 10-Q. As used in this prospectus, unless the context otherwise requires, the words "we," "us," "our," "the Company," "Research Solutions" and "Registrant" refer to Research Solutions, Inc. and its subsidiaries. Also, any reference to "common stock," refers to our \$0.001 par value common stock. The information contained herein is current as of the date of this prospectus, unless another date is specified.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus, other than statements or characterizations of historical fact, are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements concerning projected net sales, costs and expenses and gross margins; our accounting estimates, assumptions and judgments; the demand for our products; the competitive nature of and anticipated growth in our industry; and our prospective needs for additional capital. These forward-looking statements are based on our current expectations, estimates, approximations and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are listed in the section entitled "Risk Factors" of this prospectus. These forward-looking statements speak only as of the date the registration statement, of which this prospectus is portion, was declared effective. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law. The risks discussed in this prospectus should be considered in evaluating our business and future financial performance.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus in evaluating our common stock. If any of the following events were to occur, our business, financial condition or results of operations could be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you could lose your entire investment.

Risks Relating to Our Business

We have incurred significant losses, and may never achieve profitability. If we continue to incur losses, we may have to curtail our operations, which may prevent us from successfully operating and expanding our business.

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. As of June 30, 2013, we had an accumulated deficit of \$13,992,238. For our fiscal years ended June 30, 2013 and 2012, we earned net income of \$191,922, and incurred net loss of \$6,532,289, respectively. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to sustain profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to sustain or increase our profitability on a quarterly or annual basis.

The loss of one or both of our two largest customers would significantly reduce our revenues and adversely affect our results of operations.

Approximately 25% of our revenues for the year ended June 30, 2013 were derived from our two largest customers. Loss of either or both of these customers would significantly reduce our revenues, which would have a material adverse effect on our results of operations. We can provide no assurance that these customers will continue to place orders in the future.

The liquidation of one of our wholly owned subsidiaries could significantly reduce our revenues.

Approximately \$10,300,599 or 22.6% of our revenue for the year ended June 30, 2013 was derived from our wholly owned subsidiary, Techniques Appliquées aux Arts Graphiques, S.p.A. or TAAG. We believe that our current cash resources and cash flow from TAAG may not be sufficient to sustain TAAG operations for the next twelve months. In the event that TAAG is not able to secure additional financing, or we are not willing to continue to fund TAAG, TAAG may be forced to liquidate. In the event that TAAG liquidates we would lose a significant percentage of revenue which is currently attributable to TAAG.

We depend on the services of Peter Victor Derycz, and the loss of his services could adversely affect our ability to achieve our business objectives.

Our success depends in part upon the continued service of Peter Victor Derycz, who is our President, Chief Executive Officer, and Chairman of the Board of Directors. Mr. Derycz is critical to the overall management of our company as well as to the development of our technologies, our culture and our strategic direction and is instrumental in developing and maintaining close ties with our customer base. Although we have entered into an employment agreement with Mr. Derycz, the agreement does not guarantee the service of Mr. Derycz for a specified period of time. We do not have key man insurance for Mr. Derycz. The loss of Mr. Derycz's services could significantly delay or prevent the achievement of our business objectives. Consequently, the loss of Mr. Derycz's services could adversely affect our business, financial condition and results of operations.

We depend on key personnel and we may not be able to operate and grow our business effectively if we lose the services of any of our key personnel or are unable to attract qualified personnel in the future.

We rely heavily on our senior management team because they have substantial experience with our diverse service offerings and business strategies. In addition, we rely on our senior management team to identify internal expansion and external growth opportunities. Our ability to retain senior management and other key personnel is therefore very important to our future success.

We have employment agreements with our senior management, but these employment agreements do not ensure that they will not voluntarily terminate their employment with us. In addition, our key personnel are subject to non-solicitation and confidential information restrictions. We do not have key man insurance for any of our current management or other key personnel. The loss of any key personnel would require the remaining key personnel to divert immediate attention to seeking a replacement. Competition for senior management personnel is intense, and fit is important to us. An inability to find a suitable replacement for any departing executive officer or key employee on a timely basis could adversely affect our ability to operate and grow our business.

We rely on our proprietary software systems, and our web sites and online networks, and a disruption, failure or security compromise of these systems may disrupt our business, damage our reputation and adversely affect our revenues and profitability.

Our proprietary software systems are critical to our business because they enable the efficient and timely service of a large number of customer orders. Similarly, we rely on our web sites, online networks, and email systems to deliver customer orders, and provide timely, relevant and dependable business information to our customers. Therefore, network or system shutdowns caused by events such as computer hacking, dissemination of computer viruses, worms

and other destructive or disruptive software, denial of service attacks and other malicious activity, as well as power outages, natural disasters and similar events, could have an adverse impact on our operations, customer satisfaction and revenues due to degradation of service, service disruption or damage to equipment and data.

In addition to shutdowns, our systems are subject to risks caused by misappropriation, misuse, leakage, falsification and accidental release or loss of information, including sensitive data maintained in our proprietary software systems and credit card information of our customers. As a result of the increasing awareness concerning the importance of safeguarding information, ongoing attempts to hack and misuse companies' information, and legislation that continues to be adopted regarding the protection and security of information, information-related costs and risks are increasing.

Disruptions or security compromises of our systems could result in large expenditures to repair or replace such systems, to remedy any security breaches and protect us from similar events in the future. We also could be exposed to negligence claims or other legal proceedings brought by our customers or their clients, and we could incur significant legal expenses and our management's attention may be diverted from our operations in defending ourselves against and resolving lawsuits or claims. In addition, if we were to suffer damage to our reputation as a result of any system failure or security compromise, our revenues and profitability could be adversely affected.

Our failure to comply with the covenants contained in our loan agreement could result in an event of default that could adversely affect our financial condition and ability to operate our business as planned.

We have, and will continue to have, a line of credit. Our loan agreement contains, and any agreements to refinance our debt likely will contain, financial and restrictive covenants. Our failure to comply with these covenants may result in an event of default, which if not cured or waived, could result in the banks preventing us from accessing availability under our line of credit. If this were to occur we may not have sufficient cash resources to be able to continue our operations as planned. In addition, the indebtedness under our loan agreement is secured by a security interest in substantially all of our tangible and intangible assets, and therefore, if we are unable to repay such indebtedness the banks could foreclose on these assets and sell the pledged equity interests, which would adversely affect our ability to operate our business.

Our revenues have traditionally been concentrated among a few customers and if these large repeat customers choose to manage their research and marketing solution services with their own staff or with another provider and if we are unable to develop new customer relationships, our operating results and the ability to execute our growth strategy may be adversely affected.

Our operating results and ability to execute our growth strategy could be adversely affected if we lose business from our top repeat customers or we are unable to attract additional business from current or new customers for any reason, including any of the following: poor service, the loss of key employees, or the decision of our customers to perform research and marketing solution services with their own staff or with another provider. If any of these were to occur, it could reduce our cash flow and adversely affect the results of our operations.

Government regulations related to the Internet could increase our cost of doing business, affect our ability to grow or may otherwise negatively affect our business.

Governmental agencies and federal and state legislatures have adopted, and may continue to adopt, new laws and regulatory practices in response to the increasing use of the Internet and other online services. These new laws may be related to issues such as online privacy, copyrights, trademarks and service mark, sales taxes, fair business practices, domain name ownership and the requirement that our operating units register to do business as foreign entities or otherwise be licensed to do business in jurisdictions where they have no physical location or other presence. In addition, these new laws, regulations or interpretations relating to doing business through the Internet could increase our costs materially and adversely affect the revenues and results of operations.

Our growth strategy may require significant additional resources.

Our growth strategy will require us to significantly expand the capabilities of our administrative and operational resources and to attract, train, manage and retain qualified personnel. We may be unable to do so. In addition, our failure to successfully manage our growth could result in our sales not increasing commensurately with our capital investments. If we are unable to successfully manage our growth, we may be unable to achieve our goals.

We are subject to risks related to our foreign operations which could adversely affect our operations and financial performance.

We have a printing facility in France and sell our services worldwide. Foreign operations are subject to various risks which could have a material adverse effect on those operations or our business as a whole, including: exposure to

local economic conditions; exposure to local political conditions; currency exchange rate fluctuations; reliance of local management; and additional potential costs of complying with rules and regulations of foreign jurisdictions. Any adverse consequence resulting from the materialization of the foregoing risks would adversely affect our financial performance and results of operations.

Risks Relating to Ownership of Our Common Stock

We cannot predict the extent to which an active public trading market for our common stock will develop or be sustained. If a public trading market does not develop or cannot be sustained, you may be unable to liquidate your investment in our common stock.

We cannot predict the extent to which an active public market for our common stock will develop or be sustained due to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares of common stock until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a public trading market for our common stock will be sustained. If such a market cannot be sustained, you may be unable to liquidate your investment in our common stock.

In addition, the market price for our common stock may be particularly volatile given our status as a relatively small company with a small and thinly-traded “public float” that could lead to wide fluctuations in our share price. You may be unable to sell your common stock at or above your purchase price if at all, which may result in substantial losses to you.

Our common stock may be subject to significant price volatility which may have an adverse effect on your ability to liquidate your investment in our common stock.

The market for our common stock may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price is attributable to a number of factors. First, our common shares may be sporadically and/or thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer that could better absorb those sales without adverse impact on its share price. Secondly, an investment in us is a speculative or “risky” investment due to our lack of meaningful profits to date and uncertainty of future profits. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer.

We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on your investment may be limited to increases in the market price of our common stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future. The payment of dividends on our common stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment might only occur if the market price of our common stock price appreciates.

Voting power of a significant percentage of our common stock is held by our president, chief executive officer and chairman, and his brother-in-law, who together are able to control or exercise significant influence over the outcome of matters to be voted on by our stockholders.

Peter Victor Derycz, our President, Chief Executive Officer, and Chairman of the Board of Directors, has voting power equal to approximately 24% of all votes eligible to be cast at a meeting of our stockholders. Paul Kessler, the brother-in-law of Mr. Derycz, exercises investment and voting control over the shares held by Bristol Investment Fund, Ltd., and has voting power equal to approximately 28% of all votes eligible to be cast at a meeting of our stockholders. As a result of their significant ownership interests, Mr. Derycz and Mr. Kessler together will be able to exercise significant influence with respect to the election of directors, and other matters submitted to a vote of all of our stockholders.

The exercise of outstanding options and warrants to purchase our common stock could substantially dilute your investment.

Under the terms of our outstanding options and warrants to purchase our common stock issued to employees and others, the holders are given an opportunity to profit from a rise in the market price of our common stock that, upon the exercise of the options and/or warrants, could result in dilution in the interests of our other stockholders

The market price of our common stock and the value of your investment could substantially decline if our warrants or options are exercised and our common stock is issued and resold into the market, or if a perception exists that a substantial number of shares will be issued upon exercise of our warrants and option and then resold into the market.

If the exercise prices of our warrants or options are lower than the price at which you made your investment, immediate dilution of the value of your investment will occur. In addition, sales of a substantial number of shares of common stock issued upon exercise of our warrants and options, or even the perception that such sales could occur, could adversely affect the market price of our common stock. You could, therefore, experience a substantial decline in the value of your investment as a result of both the actual and potential exercise of our warrants or options.

Because we are subject to the “Penny Stock” rules, the level of trading activity in our common stock may be reduced.

Our common stock is quoted on the OTCQB. The last reported sale price per share of our common stock on October 15, 2013, was \$1.41. As a result, our common stock constitutes a “Penny Stock.” Broker-dealer practices in connection with transactions in Penny Stocks are regulated by rules adopted by the Securities and Exchange Commission, or SEC. Penny Stocks are generally equity securities with a price per share of less than \$5.00 (other than securities registered on certain national exchanges). The Penny Stock rules require a broker-dealer, prior to a transaction in Penny Stocks not exempt from the rules, to deliver a standardized risk disclosure document that provides information about Penny Stocks and the nature and level of risks in the Penny Stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the Penny Stock, the compensation of the broker-dealer and the salesperson in the transaction, and monthly accounting statements showing the market value of each Penny Stock held in the customer’s account. In addition, the broker-dealer must make a special written determination that the Penny Stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity in a Penny Stock, such as our common stock, and investors in our common stock may find it difficult to sell their shares.

Because our common stock is not listed on a national securities exchange, you may find it difficult to dispose of or obtain quotations for our common stock.

Our common stock is quoted on the OTCQB under the symbol “RSSS.” Because our stock is quoted on the OTCQB rather than on a national securities exchange, you may find it difficult to either dispose of, or to obtain quotations as to the price of, our common stock.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could result in a restatement of our financial statements, cause investors to lose confidence in our financial statements and our company and have a material adverse effect on our business and stock price.

We produce our financial statements in accordance with accounting principles generally accepted in the United States, or GAAP. Effective internal controls are necessary for us to provide reliable financial reports to help mitigate the risk of fraud and to operate successfully as a publicly traded company. As a public company, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404. Further, Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting.

Testing and maintaining internal controls can divert our management’s attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. If we are unable to conclude that we have effective internal controls over financial reporting, investors could lose confidence in our reported financial information and our company, which could result in a decline in the market price of our common stock, and cause us to fail to meet our reporting obligations in the future, which in turn could impact our ability to raise additional financing if needed in the future.

We may issue additional common stock, which might dilute the net tangible book value per share of our common stock for existing stockholders as well as their percentage interest.

We are authorized to issue 100,000,000 shares of common stock and 20,000,000 shares of “blank check” preferred stock although these amounts may change in the future subject to shareholder approval. Any additional stock issuances could be made at a price that reflects a discount to, or a premium from, the then-current market price of our common stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for a significant amount of our common stock. These issuances would dilute the percentage ownership interest, which would have the effect of reducing your influence on matters on which our stockholders vote, and might dilute the net tangible book value per share of our common stock.

Our board of directors has broad discretion to issue additional securities.

We are entitled under our certificate of incorporation to issue up to 100,000,000 shares of common stock and 20,000,000 “blank check” shares of preferred stock. Shares of our blank check preferred stock provide the board of directors’ broad authority to determine voting, dividend, conversion, and other rights. As of June 30, 2013 we have issued and outstanding 16,970,465 shares of common stock and we have 5,256,900 shares of common stock reserved for future grants under our equity compensation plans and for issuances upon the exercise or conversion of currently outstanding options, warrants and convertible securities. As of June 30, 2013, we had no shares of preferred stock issued and outstanding. Accordingly, we are entitled to issue up to 77,772,635 additional shares of common stock and 20,000,000 additional shares of “blank check” preferred stock. Our board may generally issue those common and preferred shares, or convertible securities to purchase those shares, without further approval by our shareholders. Any preferred shares we may issue could have such rights, preferences, privileges and restrictions as may be designated from time-to-time by our board, including preferential dividend rights, voting rights, conversion rights, redemption rights and liquidation provisions. It is likely that we would issue a large amount of additional securities to raise capital in order to further our development and marketing plans. It is also likely that we would issue a large amount of additional securities to directors, officers, employees and consultants as compensatory grants in connection with their services, both in the form of stand-alone grants or under our various stock plans. The issuance of additional securities may cause substantial dilution to our shareholders.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares by any of the selling stockholders, but we will receive up to \$3,032,350 upon the exercise of warrants in the event they are all exercised for cash. We will use the proceeds received from the exercise of warrants, if any, for general corporate purposes.

DETERMINATION OF OFFERING PRICE

The Selling Stockholders will offer their shares at the prevailing market prices, privately negotiated prices, or in any other fashion and manner as described in the section of this Prospectus entitled “*Plan of Distribution.*”

SELLING STOCKHOLDERS

This prospectus relates to the offering and sale, from time to time, of up to 1,321,175 shares of our common stock issuable upon the exercise of warrants held by the Selling Stockholders.

The Selling Stockholders may exercise their warrants at any time in their sole discretion. Set forth below is information, to the extent known to us, the name of each Selling Stockholders and the amount and percentage of Common Stock owned by each (including shares that can be acquired on the exercise of outstanding warrants) prior to the offering, the shares to be sold in the offering, and the amount and percentage of Common Stock to be owned by each (including shares that can be acquired on the exercise of outstanding warrants) after the offering assuming all shares are sold. The footnotes provide information about persons who have investment voting power for the Selling Stockholders and about transactions between the Selling Stockholders and the Company.

The Selling Stockholders may sell all or some of the shares of common stock they are offering, and may sell shares of our common stock otherwise than pursuant to this prospectus. The tables below assumes that each Selling Stockholder exercises all of its warrants and sells all of the shares issued upon exercise thereof, and that each Selling Stockholder sells all of the shares offered by it in offerings pursuant to this prospectus, and does not acquire any additional shares. We are unable to determine the exact number of shares that will actually be sold or when or if these sales will occur.

The Selling Stockholders may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

The total number of common shares sold under this prospectus may be adjusted to reflect adjustments due to stock dividends, stock distributions, splits, combinations or recapitalizations with regard to the common stock and warrants. Unless otherwise stated below in the footnotes, to our knowledge, no Selling Stockholder nor any affiliate of such stockholder: (i) has held any position or office with us during the three years prior to the date of this prospectus; or (ii) is a broker-dealer, or an affiliate of a broker-dealer. We may amend or supplement this prospectus from time to time in the future to update or change this list and shares which may be resold.

February 2011 Offering

We are registering 390,000 common shares underlying warrants issued in connection with our February 2011 offering (“February Offering”). The warrants have a term of three years and an exercise price of \$3.00. In the event that the shares underlying the warrants are not subject to a registration statement at the time of exercise, the warrants may be exercised on a cashless basis. The warrants also contain provisions providing for an adjustment in the underlying number of shares and exercise price in the event of stock splits or dividends, subsequent rights offerings and fundamental transactions. The warrants do not contain any price protection provisions. The warrants are also callable in the event that certain conditions are met, including our common stock trading above \$6.00. Additionally, the warrants contain limitations on the holder’s ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 4.99% of the Company’s issued and outstanding common stock, subject to a discretionary increase in such limitation by the holder to 9.99% upon 61 days’ notice.

Inducement Warrants

We are registering 931,175 common shares underlying warrants issued as an inducement to certain warrant holders in connection with the cash exercise of their prior warrants. During November and December of 2010 we accepted unsolicited offer made to us on behalf of certain of the holders of the common stock purchase warrants issued on December 22, 2006 whereby those holders offered to exercise their warrants for cash if we agreed to issue an additional one-half common stock purchase warrant for each warrant they exercised (“Inducement Warrant”). The Inducement Warrants have an exercise price of \$2.00 per share and expire on November 17, 2013. In the event that the shares underlying the warrants are not subject to a registration statement at the time of exercise, the warrants may be exercised on a cashless basis. The warrants also contain provisions providing for an adjustment in the underlying number of shares and exercise price in the event of stock splits or dividends, subsequent rights offerings and fundamental transactions. The warrants do not contain any price protection provisions. Additionally, the warrants contain limitations on the holder’s ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 4.99% of the Company’s issued and outstanding common stock, subject to a discretionary increase in such limitation by the holder to 9.99% upon 61 days’ notice.

Selling Shareholder	Securities Beneficially Owned Before Sale (1)			Securities Beneficially Owned After Sale (2)		
	Shares Held Outright	Warrants/Options	Shares being registered	% of Class	Amount	% of Class
Apex Investment Fund Ltd (3)	50,000	25,000	25,000	*	50,000	*
Joseph Bashoura (4)	1,500	250	250	*	1,500	*
Bristol Investment Fund Ltd (5)	4,621,410	162,500	162,500	*	4,621,410	26.69 %
Crescent International Limited (6)	-	75,000	75,000	*	-	*
John B. Davies (7)	40,500	13,250	13,250	*	40,500	*
J. Steven Emerson (8)	300,000	50,000	50,000	*	300,000	1.75 %
John W. Galuchie, Jr. (9)	-	1,250	1,250	*	-	*
James W. Heavener (10)	100,000	50,000	50,000	*	100,000	*
High Tide LLC (11)	86,253	37,500	37,500	*	86,253	*
JMG Capital Partners (12)	72,190	62,500	62,500	*	72,190	*
Pacific Capital Management, LLC (13)	-	62,500	62,500	*	-	*
MM & B Holdings, a California general partnership (14)	-	75,000	75,000	*	-	*
The Muhl Family Trust est. October 11, 1995 (15)	95,000	17,500	17,500	*	95,000	*
Bank Insinger (16)	25,000	12,500	12,500	*	25,000	*
Christopher G. Niklas (17)	5,400	1,250	1,250	*	5,400	*
Ramsdell Family Trust UAD 7/7/94 (18)	-	2,500	2,500	*	-	*
Charles B. Runnels & Amy Jo. Runnels TTEES Charles B. Runnels Family Trust DTD 10/14/93 (19)	25,000	2,500	2,500	*	25,000	*
G. Tyler Runnels and Jasmine Niklas Runnels TTEE The Runnels Family Trust DTD 1/11/2000 (20)	718,700	38,375	38,375	*	718,700	4.19 %
Sungate Trust II (21)	-	50,000	50,000	*	-	1.75 %
Alpha Capital Anstalt (22)	-	100,000	100,000	*	-	*
Steven B. Dunn (23)	-	1,250	1,250	*	-	*
Joshua Kazam (24)	-	12,500	12,500	*	-	*
B&R Richie's (25)	-	12,500	12,500	*	-	*
TR Winston & Company, LLC (26)	195,536	163,220	163,220	*	195,536	1.13 %
John M. Macaluso Revocable Trust (27)	228,500	50,000	50,000	*	228,500	1.33 %
Aaron A. Grunfeld (28)	4,000	1,000	1,000	*	4,000	*
Charles B. Runnels, III (29)	10,000	2,500	2,500	*	10,000	*
Michelle and Cyrus Hadidi Revocable Trust dated December 6, 2010 (30)	100,000	25,000	25,000	*	100,000	*
Harold Wine (31)	33,000	8,250	8,250	*	33,000	*
Shelley Wine (32)	12,000	3,000	3,000	*	12,000	*
Fink Family Trust (33)	8,000	2,000	2,000	*	8,000	*
Golden Tiger Group, LLC (34)	-	25,000	25,000	*	-	*
Jean D. Adams TTEE Jean D. Adams Trust DTD 03-04-1999 (35)	4,000	1,000	1,000	*	4,000	*

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JHS, LLC (36)	-	5,000	5,000	*	-	*
Kirk Fernandez (37)	100,000	25,000	25,000	*	100,000	*
Law Offices of Aaron A. Grunfeld & Associates Defined Benefit Pension Plan (38)	4,000	1,000	1,000	*	4,000	*
Lawrence Chimierine (39)	-	5,000	5,000	*	-	*
The Linda Pastel Revocable Trust UAD (40)	50,000	12,500	12,500	*	50,000	*
Cindy Sumichrast (41)	-	2,500	2,500	*	-	*
Martin A. Sumichrast as cust. For Isabelle M. Sumichrast, UGMA UTMA (42)	-	1,250	1,250	*	-	*
Martin A. Sumichrast as cust. For Martin A. Sumichrast, II, UGMA UTMA (43)	-	1,250	1,250	*	-	*
Martin A. Sumichrast as cust. For Andrew T. Sumichrast, UGMA UTMA (44)	-	1,250	1,250	*	-	*
Martin A. Sumichrast as cust. For Caroline Grace Sumichrast, UGMA UTMA (45)	-	1,250	1,250	*	-	*
Pacific Capital Management LLC (46)	-	25,000	25,000	*	-	*
Ralph Olson (47)	16,100	2,500	2,500	*	16,100	*
Steven B Dunn and Laura Dunn Rev Trust D 10/28/10 Steven B & Laura Dunn TTEES (48)	107,500	25,000	25,000	*	107,500	*
IRA FBO J. Steven Emerson Pershing LLC as Custodian ROTH Account (49)	86,265	62,500	62,500	*	86,265	*
Steve Gubner (50)	10,000	2,500	2,500	*	10,000	*
Benjamin Hill (51)	3,000	540	540	*	3,000	*
Brandon Hill (52)	3,000	540	540	*	3,000	*
Total	7,115,854	1,321,175	1,321,175		7,115,854	0.00 %

* Represents less than 1%

**Unless otherwise stated, the individual(s) with voting and dispositive control of securities offered on behalf of trusts or custodial accounts is the individual or entity referenced in the name of such accounts.

(1) Pursuant to Rules 13d-3 and 13d-5 of the Exchange Act, beneficial ownership includes any common shares as to which a shareholder has sole or shared voting power or investment power, and also any common shares which the shareholder has the right to acquire within 60 days, including upon exercise of common shares purchase options or warrants. There were 17,121,298 common shares outstanding as of October 15, 2013.

(2) Assumes the sale of all share being registered.

(3) The shares being registered include 25,000 shares underlying Inducement Warrants. Susan E. Fairhurt has voting and dispositive control with respect to the securities being offered.

(4) The shares being registered include 250 shares underlying Inducement Warrants.

(5) The shares being registered include 162,500 shares underlying Inducement Warrants. Paul Kessler, as manager of Bristol Capital Advisors, LLC ("BCA"), the investment advisor to Bristol Investment Fund, Ltd. ("Bristol"), has voting and dispositive control with respect to the securities being offered. Mr. Kessler disclaims beneficial ownership of these securities. Bristol is deemed an affiliate of the Company.

(6) The shares being registered include 75,000 shares underlying Inducement Warrants. Maxi Brezzi has voting and dispositive control with respect to the securities being offered.

(7) The shares being registered include (i) 6,250 shares underlying Inducement Warrants and (ii) 7,000 shares underlying warrants issued in our February 2011 Offering.

(8) The shares being registered include 50,000 shares underlying Inducement Warrants.

- (9) The shares being registered include 1,250 shares underlying Inducement Warrants.
- (10) The shares being registered include 50,000 shares underlying Inducement Warrants.
- (11) The shares being registered include (i) 12,500 shares underlying Inducement Warrants and (ii) 25,000 shares underlying warrants issued in our February 2011 offering. G. Tyler Runnels has voting and dispositive control with respect to the securities being offered. Mr. Runnels is an associated person of TR Winston & Company, LLC, a broker-dealer.
- (12) The shares being registered include 62,500 shares underlying Inducement Warrants. Jonathan Glaser has voting and dispositive control with respect to the securities being offered.
- (13) The shares being registered include 62,500 shares underlying Inducement Warrants. Jonathan Glaser has voting and dispositive control with respect to the securities being offered.
- (14) The shares being registered include 75,000 shares underlying Inducement Warrants. Bryan Ezralow has voting and dispositive control with respect to the securities being offered.
- (15) The shares being registered include (i) 12,500 shares underlying Inducement Warrants and (ii) 5,000 shares underlying warrants issued in our February 2011 Offering. Philip Muhl, as trustee, has voting and dispositive control with respect to the securities being offered.
- (16) The shares being registered include 12,500 shares underlying Inducement Warrants. David Mun Gavin has voting and dispositive control with respect to the securities being offered.
- (17) The shares being registered include 1,250 shares underlying Inducement Warrants.

(18) The shares being registered include 2,500 shares underlying Inducement Warrants. W. Robert Ramsdell, as trustee, has voting and dispositive control with respect to the securities being offered.

(19) The shares being registered include 2,500 shares underlying Inducement Warrants. Charles B. Runnels, as trustee, has voting and dispositive control with respect to the securities being offered.

(20) The shares being registered include (i) 16,625 shares underlying Inducement Warrants and (ii) 21,750 shares underlying warrants issued in our February 2011 Offering. G. Tyler Runnels, as trustees, have voting and dispositive control with respect to the securities being offered. Mr. Runnels is an associated person of TR Winston & Company, LLC, a broker-dealer.

(21) The shares being registered include 50,000 shares underlying Inducement Warrants. J. Brock McClane, has voting and dispositive control with respect to the securities being offered.

(22) The shares being registered include 100,000 shares underlying Inducement Warrants. Konrad Ackerman has voting and dispositive control with respect to the securities being offered.

(23) The shares being registered include 1,250 shares underlying Inducement Warrants.

(24) The shares being registered include 12,500 shares underlying Inducement Warrants.

(25) The shares being registered include 12,500 shares underlying Inducement Warrants. Mr. Brandley Ross has voting and dispositive control with respect to the securities being offered.

(26) The shares being registered include (i) 74,300 shares underlying Inducement Warrants and (ii) 88,920 shares underlying placement agent warrants issued in our February 2011 Offering. T.R. Winston & Company is a registered broker-dealer. Tyler Runnels has voting and dispositive control with respect to the securities being offered.

(27) The shares being registered include 50,000 shares underlying Inducement Warrants. John M. Macaluso, as trustee, has voting and dispositive control with respect to the securities being offered.

(28) The shares being registered include 1,000 shares underlying warrants issued in our February 2011 Offering.

(29) The shares being registered include 2,500 shares underlying warrants issued in our February 2011 Offering.

(30) The shares being registered include 25,000 shares underlying warrants issued in our February 2011 Offering. Cyrus Hadidi, as trustee, has voting and dispositive control with respect to the securities being offered.

(31) The shares being registered include 8,250 shares underlying warrants issued in our February 2011 Offering.

(32) The shares being registered include 3,000 shares underlying warrants issued in our February 2011 Offering.

(33) The shares being registered include 2,000 shares underlying warrants issued in our February 2011 Offering. Marvin Fink has voting and dispositive control with respect to the securities being offered.

(34) The shares being registered include 25,000 shares underlying warrants issued in our February 2011 Offering. John W. Galuchie, as manager, has voting and dispositive control with respect to the securities being offered. Mr. Galuchie is an associated person of TR Winston & Company, LLC, a broker-dealer.

- (35) The shares being registered include 1,000 shares underlying warrants issued in our February 2011 Offering. Jean D. Adams, as trustee, has voting and dispositive control with respect to the securities being offered.
- (36) The shares being registered include 5,000 shares underlying warrants issued in our February 2011 Offering. John Scardino, manager, has voting and dispositive control with respect to the securities being offered.
- (37) The shares being registered include 25,000 shares underlying warrants issued in our February 2011 Offering.
- (38) The shares being registered include 1,000 shares underlying warrants issued in our February 2011 Offering. Aaron Grunfeld has voting and dispositive control with respect to the securities being offered.
- (39) The shares being registered include 5,000 shares underlying warrants issued in our February 2011 Offering.
- (40) The shares being registered include 12,500 shares underlying warrants issued in our February 2011 Offering. Linda Pastel, as trustee, has voting and dispositive control with respect to the securities being offered.
- (41) The shares being registered include 2,500 shares underlying warrants issued in our February 2011 Offering.
- (42) The shares being registered include 1,250 shares underlying warrants issued in our February 2011 Offering. Martin Sumichrast has voting and dispositive control with respect to the securities being offered.
- (43) The shares being registered include 1,250 shares underlying warrants issued in our February 2011 Offering. Martin Sumichrast has voting and dispositive control with respect to the securities being offered.
- (44) The shares being registered include 1,250 shares underlying warrants issued in our February 2011 Offering. Martin Sumichrast has voting and dispositive control with respect to the securities being offered.

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(45) The shares being registered include 1,250 shares underlying warrants issued in our February 2011 Offering. Martin Sumichrast has voting and dispositive control with respect to the securities being offered.

(46) The shares being registered include 25,000 shares underlying warrants issued in our February 2011 Offering. John Glaser, manager, has voting and dispositive control with respect to the securities being offered.

(47) The shares being registered include 2,500 shares underlying warrants issued in our February 2011 Offering.

(48) The shares being registered include 25,000 shares underlying warrants issued in our February 2011 Offering. Steven B. Dunn, as trustee, has voting and dispositive control with respect to the securities being offered.

(49) The shares being registered include 62,500 shares underlying warrants issued in our February 2011 Offering. Steven Emerson has voting and dispositive control with respect to the securities being offered.

(50) The shares being registered include 2,500 shares underlying warrants issued in our February 2011 Offering.

(51) The shares being registered include 540 shares underlying placement agent warrants issued in our February 2011 Offering. Benjamin Hill is an associated person of Galt Financial, a broker-dealer.

(52) The shares being registered include 540 shares underlying placement agent warrants issued in our February 2011 Offering. Brandon Hill is an associated person of Galt Financial, a broker-dealer.

PLAN OF DISTRIBUTION

Each Selling Stockholder and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal Trading Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;

- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

- an exchange distribution in accordance with the rules of the applicable exchange;

- privately negotiated transactions;

- settlement of short sales;

in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

- a combination of any such methods of sale; or

- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Stockholders.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

DESCRIPTION OF SECURITIES

General

As of October 15, 2013, our authorized capital stock consisted of:

- 100,000,000 shares of common stock, par value \$0.001; and
- 20,000,000 shares of “blank check” preferred stock, par value \$0.001.

As of October 15, 2013, 17,121,298 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding. All of our currently issued and outstanding shares of capital stock were validly issued, fully paid and non-assessable under the Nevada Revised Statute (“Nevada Law”).

Set forth below is a summary description of all of the material terms of our capital stock and convertible securities. This description is qualified in its entirety by reference to our articles of incorporation, bylaws and form of convertible securities, each of which is filed as an exhibit to the registration statement, of which this prospectus forms a part.

Common Stock

The holders of our common stock are entitled to one vote per share on each matter submitted to a vote at a meeting of our stockholders, except to the extent that the voting rights of our shares of any class or series of stock are determined and specified as greater or lesser than one vote per share in the manner provided by our articles of incorporation. Our stockholders have no pre-emptive rights to acquire additional shares of our common stock or other securities. Our common stock is not subject to redemption rights and carries no subscription or conversion rights. In the event of liquidation of our company, the shares of our common stock are entitled to share equally in corporate assets after satisfaction of all liabilities. All shares of our common stock now outstanding are fully paid and non-assessable. Our bylaws authorize the board of directors to declare dividends on our outstanding shares.

Preferred Stock

The Board of Directors is authorized to determine and alter the rights, preferences, privileges, and restrictions granted to or imposed upon any wholly unissued series of preferred shares, and to fix the number of shares and the designation of any series of preferred shares. The Board of Directors may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of those shares. The rights of the holders of common stock will be subject to and may be affected adversely by the rights of the holders of any preferred stock that may be issued in the future. Issuance of a new series of preferred stock could make it more difficult for a third party to acquire, or discourage a third party from acquiring, the outstanding shares of common stock and make removal of the Board of Directors more difficult. No rights, preferences or privileges have yet been determined and no shares of preferred stock have been issued

Outstanding Warrants

As of October 15, 2013, we had an aggregate of 2,226,173 common stock purchase warrants issued and outstanding with a range of exercise prices from \$1.19 to \$4.00 per share and an average weighted exercise price of \$2.07 per share. Of our outstanding warrants, we are registering the common shares underlying 1,321,175 warrants. For a further description of such warrants, please refer to the section of this prospectus entitled “*Selling Stockholders*” as well as the following table, consisting of:

Description of Securities	Exercise Price	Expiration Date	Price Adjustment	Callable
Inducement Warrants				
931,175 Warrants	\$ 2.00	11/17/2013	Stock Splits, Dividends, Subsequent Rights Offerings and Fundamental Transactions	No
February Offering Warrants				
390,000 Warrants	\$ 3.00	2/14/2014	Stock Splits, Dividends, Subsequent Rights Offerings, Pro Rata Distributions and Fundamental Transactions	Yes

Options

As of October 15, 2013, we had an aggregate of 1,882,948 common stock purchase options issued and outstanding with an average exercise price of \$1.30 per share. The options were issued pursuant to our 2007 Equity Compensation Plan, as amended.

Anti-Takeover Provisions

Provisions of the Nevada Revised Statutes and our bylaws could have the effect of delaying or preventing a third party from acquiring us, even if the acquisition would benefit our stockholders. Such provisions of Nevada Law and our bylaws are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and in the policies formulated by the Board of Directors and to discourage certain types of transactions that may involve an actual or threatened change of control of our company. These provisions are designed to reduce our vulnerability to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of our outstanding shares, or an unsolicited proposal for the restructuring or sale of all or part of our company.

Nevada anti-takeover statutes.

We may become subject to Nevada's control share acquisition laws (Nevada Revised Statutes 78.378 -78.3793), which prohibit an acquirer, under certain circumstances, from voting shares of a corporation's stock after crossing specific threshold ownership percentages, unless the acquirer obtains the approval of the issuing corporation's stockholders. The first such threshold is the acquisition of at least one-fifth but less than one-third of the outstanding voting power. We may become subject to Nevada's Control Share Acquisition Act if the company has 200 or more stockholders of record at least 100 of whom are residents of the State of Nevada and does business in the State of Nevada directly or through an affiliated corporation. Currently, we do not conduct business in the State of Nevada directly or through an

affiliated corporation.

We are also subject to Nevada's Combination with Interested Stockholders Statute (Nevada Revised Statutes 78.411-78.444) which prohibits an "interested stockholder" from entering into a "combination" with the corporation, unless certain conditions are met. An "interested stockholder" is a person who, together with affiliates and associates, beneficially owns (or within the prior three years, did beneficially own) 10 percent or more of the corporation's voting stock, or otherwise has the ability to influence or control such corporation's management or policies.

Bylaws.

In addition, various provisions of our bylaws may also have an anti-takeover effect. These provisions may delay, defer or prevent a tender offer or takeover attempt of the company that a stockholder might consider in his or her best interest, including attempts that might result in a premium over the market price for the shares held by our stockholders. Our bylaws may be adopted, amended or repealed by the affirmative vote of the holders of at least a majority of our outstanding shares of capital stock entitled to vote for the election of directors, and except as provided by Nevada law, our Board of Directors shall have the power to adopt, amend or repeal the bylaws by a vote of not less than a majority of our Directors. Any bylaw provision adopted by the Board of Directors may be amended or repealed by the holders of a majority of the outstanding shares of capital stock entitled to vote for the election of directors. Our bylaws also contain limitation as to who may call special meetings as well as require advance notice of shareholder matters to be brought at a meeting. Additionally, our bylaws also provide that no director may be removed by less than a two-thirds vote of the issued and outstanding shares entitled to vote on the removal.

Authorized but Unissued Shares.

Our authorized but unissued shares of common stock are available for our Board of Directors to issue without stockholder approval. We may use these additional shares for a variety of corporate purposes, including raising additional capital, corporate acquisitions and employee stock plans. The existence of our authorized but unissued shares of common stock could render it more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger or other transaction since our Board of Directors can issue large amounts of capital stock as part of a defense to a take-over challenge. In addition, we have authorized in our articles of incorporation 20,000,000 shares of preferred stock, none of which are currently designated or outstanding. However, the Board acting alone and without approval of our shareholders can designate and issue one or more series of preferred stock containing super-voting provisions, enhanced economic rights, rights to elect directors, or other dilutive features, that could be utilized as part of a defense to a take-over challenge.

Supermajority Voting Provisions.

Nevada Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's articles of incorporation or bylaws, unless a corporation's articles of incorporation or bylaws, as the case may be, require a greater percentage. Although our articles of incorporation and bylaws do not currently provide for such a supermajority vote on any matters, our Board of Directors can amend our bylaws and we can, with the approval of our shareholders, amend our articles of incorporation to provide for such a super-majority voting provision.

Limitations on Liability and Indemnification of Officers and Directors

Nevada law authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors. Our bylaws include provisions that eliminate, to the extent allowable under Nevada law, the personal liability of directors or officers for monetary damages for actions taken as a director or officer, as the case may be. Our bylaws also provide that we must indemnify and advance reasonable expenses to our directors and officers to the fullest extent permitted by Nevada law. We are also expressly authorized to carry directors' and officers' insurance for our directors, officers, employees and agents for some liabilities. We currently maintain directors' and officers' insurance covering certain liabilities that may be incurred by directors and officers in the performance of their duties

The limitation of liability and indemnification provisions in our bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might

otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to the indemnification provisions in our articles of incorporation and bylaws.

There is currently no pending litigation or proceeding involving any of directors, officers or employees for which indemnification is sought.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company. The address of American Stock Transfer & Trust Company, LLP is 6201 15th Avenue, Brooklyn, New York, 11219 and the phone number is (718) 921-8200.

DESCRIPTION OF BUSINESS

Research Solutions, Inc. was incorporated in the State of Nevada on November 2, 2006. On March 4, 2013, we consummated a merger with DYSC Subsidiary Corporation, our wholly-owned subsidiary, pursuant to which we, in connection with such merger, amended our Articles of Incorporation to change our name to Research Solutions, Inc. (formerly Derycz Scientific, Inc.). Research Solutions, Inc. is a publicly traded holding company with three wholly owned subsidiaries: Reprints Desk, Inc., a Delaware corporation (“Reprints Desk”); Reprints Desk Latin America S. de R.L. de C.V, an entity organized under the laws of Mexico; and Techniques Appliquées aux Arts Graphiques, S.p.A. (“TAAG”), an entity organized under the laws of France.

Our mission is to provide research solutions that facilitate the flow of information from the publishers of scientific, technical, and medical (“STM”) content to enterprise customers in life science and other research intensive organizations around the world. We provide customers with access to hundreds of thousands of newly published articles each year in addition to the tens of millions of existing articles that have been published in the past, helping them to identify the most useful and relevant content for their activities. In addition to serving end users of content, we also serve STM publishers by insuring compliance with applicable copyright laws. We have developed proprietary software and Internet-based interfaces that allow customers to find, electronically receive and legally use the content that is critical to their research.

We provide three types of solutions to our customers: research solutions, marketing solutions, and printing solutions.

Research Solutions

Researchers and regulatory personnel in life science and other research intensive organizations generally require single copies of published STM journal articles for use in their research activities. They place orders with us for the articles they need and we source and electronically deliver the requested content to them generally in under an hour. This service is known in the industry as “Single Article Delivery” or “Document Delivery.” We also obtain the necessary permissions from the content publisher so that our customer’s use complies with applicable copyright laws. We have developed proprietary software and Internet-based interfaces that allow customers to initiate orders, manage transactions, obtain reporting, automate authentication, improve seamless connectivity to corporate intranets, and maximize the information resources they already own, or have access to via subscriptions or internal libraries, as well as organize workgroups to collaborate around scientific information. In some cases, our proprietary software allows us to fully automate the order fulfillment process. Our services alleviate the need for our customers to develop internal systems or contact multiple content publishers in order to obtain the content that is critical to their research.

Marketing Solutions

Marketing departments in life science and other research intensive organizations generally require large quantities of printed copies of published STM journal articles called “Reprints.” They generally supply Reprints to doctors who may prescribe their products and at conferences. We are responsible for the printing and delivery of Reprint orders, and we also obtain the necessary permissions from the content publisher so that our customer’s use complies with applicable copyright laws. Whenever possible, we utilize TAAG for printing and logistics. Electronic copies, called “ePrints,” are also used for distribution through the Internet and other electronic mechanisms. We have developed proprietary ePrint software that increase the efficiency of our customers’ content purchases by transitioning from paper Reprints to electronic ePrints, and by improving compliance with applicable copyright laws and promotional regulations within the life sciences industry.

Printing Solutions

Our printing solutions, exclusively performed by TAAG, our French operating subsidiary, include a variety of hard copy, professionally printed materials that are used for retail and marketing purposes, including Reprints, as well as regulatory sensitive marketing materials and clinical trial kits.

Target Markets and Customers

The size of the markets in which we operate is difficult to estimate because they are a small subset of the larger information services and STM publishing industries, and specific financial information is not readily available. We currently place emphasis on the life sciences industry with a focus in the pharmaceutical, biotechnology and medical device industries. We believe that we have a small fraction of the total available market and believe that the total available market can be expanded and more heavily penetrated.

Two of our customers generated approximately, 25% of our revenues for the year ended June 30, 2013. As a result, the loss of either or both of these customers would cause a significant reduction in our revenues and affect our profitability.

Competitive Strengths

We believe that we possess the following competitive strengths:

Services and Technology

We have developed proprietary software and Internet-based interfaces that allow customers to initiate orders, manage transactions, obtain reporting, automate authentication, improve seamless connectivity to corporate intranets, and maximize the information resources they already own, or have access to via subscriptions or internal libraries, as well as organize workgroups to collaborate around scientific information. Our systems integrate into our customers' corporate intranets and workflows through the Internet, web services and other integration mechanisms. Our services alleviate the need for our customers to develop internal systems or contact multiple content publishers in order to obtain the content that is critical to their research.

Our services are configured to our customers' needs and provide a personalized yet turnkey solution that covers the full spectrum of customer requirements; from identifying and locating articles, to ensuring copyright compliance, maximization of information resources already owned, electronic storage and monitoring, tracking usage, and automating end-user authentication. We continue to seek ways to enhance the performance of our existing proprietary software and systems and to develop and implement new technologies that expand the available methods of seeking and obtaining content. We currently offer the following proprietary software and systems:

Article Galaxy — a journal article platform that improves processes and spending related to evidence-based promotions and STM research. Article Galaxy was named a Top-100 trend-setting product in 2012 after a review of more than 600 individual products by KMWorld Magazine editors, analysts, integrators and users. Each and every company whose products were chosen as Trend-Setting Products is acknowledged for its willingness to listen and serve its customers in useful and innovative ways.

Bibliogo™ — a web app that enables secure scientific collaboration and discovery. Bibliogo™ was named the sole 2012 winner in the Best Online Science or Technology Service category by the Software & Information Industry Association (SIIA).

Article Viewer — a mobile-web app that allows customers and our publishing partners to protect their copyrighted content and support their marketing needs.

Experienced Management Team

Our management team has over 100 years of combined experience in the information services and STM publishing industries. Further, our CEO has been an innovator in the space for over 20 years.

Customer Loyalty

The majority of our revenues come from repeat customers. A recent study performed by Outsell, an industry research and advisory firm, ranked Reprints Desk first in customer satisfaction (depth and breadth of coverage, fair pricing, and ease of doing business) and loyalty (intention to renew or continue service, and willingness to recommend the service to others). A copy of the Outsell study can be viewed online at <http://info.reprintsdesk.com/Portals/28841/docs/outselldocdel-rd.pdf>.

Industry Presence and Established Relationships

We have an established presence and network of contacts with our customers, STM publishing partners, and others in the information services space. We have existing non-exclusive arrangements with numerous content publishers that allow us to distribute their content.

Promotion

We employ a focussed and offense-oriented marketing approach to challenge existing competition. We invest in vertical integration and channel relationships to increase the value we provide to customers, extend our promotional reach, and decrease customer acquisition costs. We anticipate growth coming from cross-selling into our existing customer base, penetrating new market verticals, and by generating market demand and preference from both existing and new customers. In customer acquisitions, we rely on sales promotion to sell to large enterprise accounts and marketing communications to more efficiently recruit small-to-medium and geographically-dispersed enterprises. The promotional mix of tactics we utilize includes: advertising, events, direct response and integrated marketing campaigns, public relations and content publicity, search engine optimization and marketing, thought leadership programs, channel alliances training, and analyst relations. In addition, a portion of our marketing budget is dedicated to research and customer retention, which increases total lifetime value per account and generates significant amounts of overall referrals for new business.

Company Services

We generate revenue by providing three types of services to our customers: Single Article Delivery, Reprints and ePrints, and Printing and Logistics services.

Single Article Delivery

We charge a transactional service fee for the electronic delivery of single articles, and a corresponding copyright fee for the permitted use of the content. We obtain the necessary permissions from the content publisher so that our customer's use complies with applicable copyright laws. We have non-exclusive arrangements with numerous content publishers that allow us to distribute their content. Many of these publishers provide us with electronic access to their content, which allows us to electronically deliver single articles to our customers often in a matter of minutes. Even though Single Article Delivery services are charged on a transactional basis, customer order volume tends to be consistent from month to month in part due to consistent orders of larger customers that require the implementation of our services into their work flow. We also help customers connect to free content on the Internet when available.

Reprints and ePrints

We charge a transactional fee for each Reprint or ePrint order and are responsible for printing and delivery of Reprint orders, and the electronic delivery and, in some cases, the electronic delivery mechanism of ePrint orders. We obtain the necessary permissions from the content publisher so that our customer's use complies with applicable copyright laws. When possible, we obtain the right to print the order from the content publisher, and utilize TAAG for printing and logistics. Reprints and ePrints are charged on a transactional basis and order volume typically fluctuates from month to month based on customer marketing budgets and the existence of STM journal articles that fit customer requirements.

Printing and Logistics Services

We charge a transactional fee for each order of hard copy printed material. We are responsible for printing and delivering the order. Printing and Logistics services are exclusively performed by TAAG.

Seasonality

Summer months tend to be lower for Single Article Delivery revenue, and Spring and Fall months tend to be higher for Reprint revenue, particularly in December.

Growth Strategy

Organic Growth

We reach out to customers using targeted selling and marketing campaigns consisting of sales calls on potential customers. This strategy is supported by innovative technological systems, aggressive pricing and excellent service. We also submit proposals to potential customers in response to Requests For Proposals, or RFPs. We have invested heavily in our operations to ensure that they are capable of supporting future growth.

Acquisitions and Combinations

From time to time, and as opportunities arise, we may explore strategic acquisitions and combinations, including the acquisition of customer lists, that bring revenue, profitability, growth potential, and additional technology, products, services, operations and/or geographic capabilities to our company.

International Expansion

We have expanded internationally through increased sales to companies located abroad, particularly in Europe and Japan, and through the acquisition of TAAG. From time to time, and as opportunities arise, we may further expand internationally through partnerships or acquisitions.

Publisher Agreements

We have non-exclusive arrangements with numerous STM content publishers that allow us to distribute their content. In addition, we regularly contact publishers in an attempt to negotiate additional publisher agreements. A typical publisher agreement would allow us to distribute their content according to a negotiated price list, thereby eliminating the need to contact the publisher and obtain the rights for each individual order. Many of these publishers provide us with electronic access to their content, which allows us to further expedite the delivery of single articles to our customers.

Competition

The markets in which we compete are highly competitive. The primary methods of competition in our industry are price, service, technology and niche focus. Competition based on price is often successful in the short-term, but can limit the ability of a supplier to provide adequate service levels. Competition based on service and/or technology requires significant investment in systems and that investment requires time to payback. Niche operators focus on narrow activities, but cannot aggregate sufficient content, technology and services to satisfy broad customer needs. We feel that many customers and potential customers are less price sensitive if the service levels are high and the technology creates efficiency and/or management information that has not been available previously.

Our competition includes:

Piracy — Piracy is, perhaps, our most serious competitor. Many entities use content for commercial purposes without complying with applicable copyright laws, and paying the required copyright to the content publisher. As information becomes more readily available, the opportunity for piracy increases, as do publishers' ability to identify unauthorized use.

STM Single Article Delivery Vendors and Content Aggregators — Our primary completion for global, full service Single Article Delivery services are Infotrieve, British Library, Linda Hall Library, and others.

Publisher Service Companies - Primarily printing shops that offer to manage a publisher's reprints business in addition to providing their main subscription printing needs (e.g. , Copyright Clearance Center, Sheridan Reprints, Reprint Services, Cadmus).

Media Buyers- These companies aggregate advertising "buy" and obtain a publisher discount, sometimes including Reprints as part of their "buy" (e.g. , Compas).

Customer In-House Services - While Single Article Delivery services are more challenging than Reprint services for our customers to provide in house, many existing and potential customers manage these services internally. If the internal service provider lacks skill, experience, or adequate systems, it can lead to an inferior service that does not meet customer requirements and can also waste valuable time.

Publisher In-House Capabilities - Some large publishers have developed in-house capabilities to service the content re-use market, however, many of them neglect other content repurposing opportunities and may not be able to aggregate content from other publishers.

Our Intellectual Property

We own trademarks or service marks that have been registered, or for which applications are pending, with the United States Patent and Trademark Office including but not limited to: "Bibliogo," "Research Solutions" and "RD Reprint Desk" .

Additionally, we have devoted substantial time and resources over the years with regard to the development of our proprietary software and system. We currently rely on a combination of trade secret laws and restrictions on disclosure to protect our intellectual property rights. Our success depends on the protection of the proprietary aspects of our technology as well as our ability to operate without infringing on the proprietary rights of others. We also enter into proprietary information and confidentiality agreements with our employees, consultants and commercial partners and

control access to, and distribution of, our software documentation and other proprietary information.

Employees

As of September 23, 2013, we had approximately 140 employees, 138 of which were full-time employees.

DESCRIPTION OF PROPERTY

Our executive offices are located at 5435 Balboa Blvd., Suite 202, Encino, California. We lease approximately 3,200 square feet of office space for \$4,965 per month from an unrelated third party. The lease expires on May 31, 2015. The rent increases to \$5,115 per month on May 1, 2014.

Pools' printing facility was located at 3455-3501 Commercial Avenue, Northbrook, Illinois until operations were discontinued in June 2013. We continue to lease approximately 13,000 square feet of space for \$8,250 per month from an unrelated third party. The lease expires on May 31, 2016. The rent increases to \$8,500 per month on June 1, 2014. On March 24, 2013, we entered into an agreement to sublease the facility to a third party effective April 1, 2013. The sublease calls for monthly rental proceeds of \$4,265 from June 2013 to August 2013, and \$6,300 from September 2013 to May 2016. The amount of the expected rental proceeds from the sublease will be less than the amount the Company is contractually obligated to pay under the lease agreement.

The printing facility and offices of TAAG are located at 3 rue Olympe de Gouges - ZAC des Radars 91350 Grigny, France. TAAG leases approximately 1,775 square meters of printing facility and 425 square meters of office space for approximately \$20,000 (€15,417) per month from an unrelated third party. The lease expires on December 31, 2019. We have guaranteed approximately \$50,000 (€40,000) in favor of the landlord in connection with the lease.

On August 1, 2012 Reprints Desk Latin America S. de R.L. de C.V, entered into a lease agreement for approximately 280 square meters of office space in Monterrey, Mexico. The lease requires monthly payments of approximately \$1,300 (18,000 Mexican pesos) through July 2013.

We believe that our existing facilities are sufficient to meet our present and anticipated needs for the foreseeable future.

LEGAL PROCEEDINGS

We are involved in legal proceedings in the ordinary course of our business. Although our management cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of our legal proceedings, including any amounts we may be required to pay, will not have a material effect on our consolidated financial statements.

MARKET FOR COMMON EQUITY & RELATED STOCKHOLDER MATTERS

Market Information and Approximate Number of Holders of Common Stock

Our common stock is quoted on the OTCQB under the symbol "RSSS." The following table sets forth, for the periods indicated, the reported high and low bid quotations for our common stock as reported on the OTCQB. The bid prices reflect inter-dealer quotations, do not include retail markups, markdowns, or commissions, and do not necessarily reflect actual transactions.

	High Bid	Low Bid
Year Ended June 30, 2014:		
First Quarter (July 1 – September 30)	\$ 1.90	\$ 1.45
Year Ended June 30, 2013:		
Fourth Quarter (April 1 – June 30)	\$ 1.83	\$ 1.05
Third Quarter (January 1 – March 31)	\$ 1.25	\$ 0.66
Second Quarter (October 1 – December 31)	\$ 1.07	\$ 0.66
First Quarter (July 1 – September 30)	\$ 1.30	\$ 0.87

Year Ended June 30, 2012:

Fourth Quarter (April 1 – June 30)	\$ 1.35	\$ 1.05
Third Quarter (January 1 – March 31)	\$ 1.35	\$ 0.60
Second Quarter (October 1 – December 31)	\$ 1.35	\$ 0.60
First Quarter (July 1 – September 30)	\$ 3.10	\$ 1.25

Holders

As of September 23, 2013, we had a total of 17,121,298 shares of our common stock outstanding. According to the records of our transfer agent, we had approximately 334 record holders of our common stock. Because brokers and other institutions hold shares on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividend Policy

We have not paid any cash dividends and we currently intend to retain any future earnings to fund the development and growth of our business. Any future determination to pay dividends on our common stock will depend upon our results of operations, financial condition and capital requirements, applicable restrictions under any credit facilities or other contractual arrangements and such other factors deemed relevant by our board of directors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations for the years ended June 30, 2013 and 2012 should be read in conjunction with our consolidated financial statements and related notes to those financial statements that are included elsewhere in this prospectus. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, without limitation:

- *the projected growth or contractions in the industry within which we operate;*
- *our business strategy for expanding, maintaining or contracting our presence in these markets;*
- *anticipated trends in our financial condition and results of operations; and*
- *our ability to distinguish ourselves from our current and future competitors.*

We use words such as “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “believe,” “intend,” “may,” “will,” “should,” “could,” and similar expressions to identify forward-looking statements. All forward-looking statements included in this report are based on information available to us on the date hereof and, except as required by law, we assume no obligation to update any such forward-looking statements.

Comparison of the Years Ended June 30, 2013 and 2012

Results of Operations

	Years ended June 30,	
	2013	2012
Revenue	\$45,498,526	\$42,818,541
Cost of revenue	35,948,380	34,778,307
Gross profit	9,550,146	8,040,234
Operating expenses:		
Selling, general and administrative	8,452,865	10,518,781
Stock-based compensation expense	386,563	203,540
Depreciation and amortization	590,922	1,456,130

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Impairment loss related to the acquisition of TAAG	-	1,602,638
Impairment loss on intangible assets related to intellectual property licenses	-	688,138
Impairment loss related to the acquisition of Pools Press	-	223,385
Loss on facility sublease	233,015	-
(Gain) loss on sale of fixed assets	(476,904)	315
Total operating expenses	9,186,461	14,692,927
Income (loss) from operations	363,685	(6,652,693)
Other income (expenses):		
Interest expense	(89,411)	(220,665)
Other income (expense)	(84,023)	18,963
Total other income (expense)	(173,434)	(201,702)
Income (loss) before income tax benefit	190,251	(6,854,395)
Income tax benefit	1,671	322,106
Net income (loss)	191,922	(6,532,289)

Revenue

	Years Ended June 30,		2013-2012	2013-2012	
	2013	2012	\$ Change	% Change	
Revenue:					
North American operations	\$35,197,927	\$31,073,984	\$4,123,943	13.3	%
TAAG (France)	10,300,599	11,744,557	(1,443,958)	(12.3))%
Total revenue	\$45,498,526	\$42,818,541	\$2,676,985	6.3	%

Revenue from North American operations increased \$4.1 million, or 13.3%, for the year ended June 30, 2013 compared to the prior year, primarily due to increased orders from current customers and the acquisition of new customers.

Revenue from TAAG decreased \$1.4 million, or 12%, for the year ended June 30, 2013 compared to the prior year, primarily due to disappointing sales efforts and general financial uncertainty in Europe. Revenue from TAAG appears to have stabilized, however, there is no assurance that revenue will continue to be stable.

Cost of Revenue

	Years Ended June 30,		2013-2012	2013-2012	
	2013	2012	\$ Change	% Change	
Cost of Revenue:					
North American operations	\$29,808,254	\$27,677,462	\$2,130,792	7.7	%
TAAG (France)	6,140,126	7,100,845	(960,719)	(13.5))%
Total cost of revenue	\$35,948,380	\$34,778,307	\$1,170,073	3.4	%

As a percentage of revenue:

North American operations	84.7	%	89.1	%	(4.4)%
TAAG (France)	59.6	%	60.5	%	(0.9)%
Total	79.0	%	81.2	%	(2.2)%

Cost of revenue as a percentage of revenue from North American operations decreased 4.4%, for the year ended June 30, 2013 compared to the prior year, primarily due to reductions in production expenses and decreased payments to publishers.

Cost of revenue as a percentage of revenue from TAAG decreased 0.9%, for the year ended June 30, 2013 compared to the prior year, primarily due to reductions in production expenses.

Gross Profit

	Years Ended June 30,		2013-2012		2013-2012	
	2013	2012	\$ Change	% Change		
Gross Profit:						
North American operations	\$5,389,673	\$3,396,522	\$1,993,151	58.7	%	
TAAG (France)	4,160,473	4,643,712	(483,239)	(10.4)%	
Total gross profit	\$9,550,146	\$8,040,234	\$1,509,912	18.8	%	
As a percentage of revenue:						
North American operations	15.3	% 10.9	% 4.4	%		
TAAG (France)	40.4	% 39.5	% 0.9	%		
Total	21.0	% 18.8	% 2.2	%		

Operating Expenses

	Years Ended June 30,		2013-2012 \$ Change	2013-2012 % Change
	2013	2012		
Operating Expenses:				
North American Operations:				
Selling, general and administrative	\$4,526,802	\$5,519,289	\$(992,487)	(18.0)%
Depreciation and amortization	235,860	364,547	(128,687)	(35.3)%
Stock-based compensation expense	386,563	203,540	183,023	89.9 %
Impairment loss on intangible assets related to intellectual property licenses	-	688,138	(688,138)	(100.0)%
Impairment loss related to the acquisition of Pools Press	-	223,385	(223,385)	(100.0)%
Loss on facility sublease	233,015	-	233,015	- %
(Gain) loss on sale of fixed assets	(20,980)	315	(21,295)	(6,760)%
Total North American operations	5,361,260	6,999,214	(1,637,954)	(23.4)%
TAAG (France):				
Selling, general and administrative	3,926,063	4,999,492	(1,073,429)	(21.5)%
Depreciation and amortization	355,062	1,091,583	(736,521)	(67.5)%
Impairment loss related to the acquisition of TAAG	-	1,602,638	(1,602,638)	(100.0)%
(Gain) loss on sale of fixed assets	(455,924)	-	(455,924)	- %
Total TAAG (France) operations	3,825,201	7,693,713	(3,868,512)	(50.3)%
Total operating expenses	\$9,186,461	\$14,692,927	\$(5,506,466)	(37.5)%

Selling, General and Administrative

Selling, general and administrative expenses from North American operations decreased \$992,487 or 18%, for the year ended June 30, 2013 compared to the prior year, primarily due to reductions in compensation and professional service fees.

During the year ended June 30, 2012, we determined that the value of intangible assets related to intellectual property licenses and intangible assets related to the acquisition of TAAG were impaired. Accordingly, we recorded an impairment loss of \$688,138 that represents the unamortized value of intangible assets related to intellectual property licenses as of March 31, 2012.

During the year ended June 30, 2012, we determined that the recorded value of goodwill of \$233,385 that arose upon the acquisition of Pools Press was impaired. Accordingly, during the year ended June 30, 2012, we recorded an impairment loss of \$233,385 that represents the impairment of the goodwill.

Selling, general and administrative expenses from TAAG decreased \$1,073,429 or 21.5%, for the year ended June 30, 2013 compared to the prior year, primarily due to reductions in compensation, professional service fees, and rent.

During the year ended June 30, 2012, we determined that the value of goodwill and intangible assets related to the acquisition of TAAG were impaired. Accordingly, we recorded an impairment loss of \$1,602,638 that represents goodwill and the unamortized value of intangible assets, offset by the earnout related to the acquisition of TAAG as of March 31, 2012.

Depreciation and Amortization

Depreciation and amortization for the year ended June 30, 2013, amounted to \$617,898, with \$26,976 recorded under cost of revenue.

The amounts recorded for North American operations are split between depreciation and amortization of customer lists. We expect depreciation and amortization expense for North American operations to remain at current levels during the 2014 fiscal year.

The amounts recorded for TAAG consist mostly of depreciation on printing equipment. We expect depreciation expense for TAAG to remain at current levels during the 2014 fiscal year.

(Gain) Loss on Sale of Fixed Assets

During the year ended June 30, 2013, the gain on sale of fixed assets consisted primarily of TAAG's sale of printing equipment with a net book value of \$37,322 for a gain of \$457,544.

Interest Expense

Interest expense was \$89,411 for the year ended June 30, 2013, compared to \$220,665 for the prior year, a decrease of \$131,254. Approximately \$70,000 of the decrease was due to decreased borrowing on the credit line for North American operations with Silicon Valley Bank which provides a \$4 million revolving line of credit secured by all of our assets, excluding TAAG's assets. The remaining balance of approximately \$60,000 was due to reduced interest expense from capital leases of printing equipment at TAAG. We expect interest expense to decrease slightly during the 2014 fiscal year.

Income Tax Benefit

During the year ended June 30, 2013, we recorded an income tax benefit of \$1,671 as a result of refunds of prior years' state income tax payments.

During the year ended June 30, 2012, we recorded an income tax benefit of \$350,000 to reduce the deferred tax liability recorded upon the acquisition of TAAG that was related to the intangible assets of TAAG written off in 2012.

Net Income (Loss)

	Years Ended June 30,		2013-2012	
	2013	2012	\$ Change	% Change
Net Income (Loss):				
North American Operations	\$(70,240)	\$(3,543,159)	\$3,472,919	(98.0)%
TAAG (France)	262,162	(2,989,130)	3,251,292	(108.8)%
Total net income (loss)	\$191,922	\$(6,532,289)	\$6,724,211	(102.9)%

Net income from North American operations increased \$3.5 million or 98%, for the year ended June 30, 2013 compared to the prior year, primarily due to increased gross profit and decreased operating expenses as described above.

Net income from TAAG increased \$3.3 million or 109%, for the year ended June 30, 2013 compared to the prior year, primarily due to decreased operating expenses as described above, and a gain on sale of equipment of approximately \$450,000.

Liquidity and Capital Resources

Consolidated Statements of Cash Flow Data:	Years Ended June 30,	
	2013	2012
Net cash provided by (used in) operating activities	\$(95,838)	\$1,968,462
Net cash provided by (used in) investing activities	\$451,020	\$(409,957)
Net cash used in financing activities	\$(1,789,750)	\$(1,488,373)

Since our inception, we have funded our operations primarily through private sales of equity securities and the exercise of warrants, which have provided aggregate net cash proceeds to date of approximately \$10,350,000, none of which was raised in the fiscal year ended June 30, 2013.

As of June 30, 2013, we had cash and cash equivalents of \$1,699,969, compared to \$3,150,978 as of June 30, 2012, a decrease of \$1,451,009. This decrease is primarily attributable to a decrease in accounts payable of \$2,257,735, payments under line of credit of \$1,000,000, and payments of capital lease obligations of \$738,783, partially offset by a decrease of accounts receivable of \$1,132,754 and proceeds from sale of fixed assets of \$573,574.

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. As of June 30, 2013, we had an accumulated deficit of \$13,992,238. For our fiscal years ended June 30, 2013 and 2012, we earned net income of \$191,922, and incurred net loss of \$6,532,289, respectively. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may never sustain profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to sustain or increase our profitability on a quarterly or annual basis.

North American Operations (Reprints Desk)

We believe that our current cash resources and cash flow from our North American operations will be sufficient to sustain current North American operations for the next twelve months. We expect to continue to produce cash from North American operating activities; however, there are no assurances that such results will be achieved. We are currently negotiating to renew our line of credit with SVB, however, if the line of credit is not renewed we believe it will not have a material effect on North American operations or liquidity.

TAAG (France)

We believe that our current cash resources and cash flow from TAAG may not be sufficient to sustain TAAG operations for the next twelve months. During the year ended June 30, 2013, TAAG earned net income from operations of \$335,272, and at June 30, 2013, had a working capital deficiency of approximately \$1,200,000. In addition, approximately \$420,000 of payroll and VAT taxes were delinquent at June 30, 2013. Effective June 30, 2013, we contributed a loan receivable from TAAG totaling \$1,009,115 to TAAG's capital to improve TAAG's liquidity. Our line of credit with Silicon Valley Bank limits the amount of funding of TAAG to \$50,000 and no additional financing for TAAG is in place. Revenue from TAAG has stabilized, however, significant net losses in prior years have been incurred. Our overall strategy is to improve TAAG's revenue, operations, and profitability. As a result, we have, and continue to, perform financial and operational analysis on TAAG. We have replaced all executive and accounting management at TAAG and hired a new executive manager and engaged a professional accounting services firm to ensure these improvements, however, there is no assurance that such results will be achieved. In the event that TAAG liquidates our exposure to creditors in France is limited to the assets of TAAG, with the exception of a \$50,000 guarantee by us in favor of the landlord on the facility lease. In the event that TAAG liquidates we could lose a significant percentage of revenue, or all revenue, from TAAG. As a result, during the year ended June 30, 2012, we determined that the recorded values of goodwill of \$1,344,219 and intangible assets with a remaining net book value of \$617,757 that arose upon the acquisition of TAAG were impaired. Accordingly, during the year ended June 30, 2012, we recorded an impairment loss of \$1,602,638 that represents the impairment of the goodwill and the unamortized value of intangible assets, offset by the elimination of the earnout liability of \$359,338 which we estimate will no longer be payable. In addition, we also recorded an income tax benefit of \$350,000 to reduce the deferred tax liability recorded upon the acquisition of TAAG that was related to the intangible assets of TAAG written off in 2012.

Operating Activities

Our net cash used in operating activities was \$95,838 for the year ended June 30, 2013 and resulted primarily from a decrease in accounts payable of \$2,257,735, partially offset by a decrease of accounts receivable of \$1,132,754 and non-cash depreciation and amortization of \$617,898.

Our net cash provided by operating activities was \$1,968,462 for the year ended June 30, 2012 and resulted primarily from an increase in accounts payable of \$2,509,219, non-cash depreciation and amortization of \$1,529,222, non-cash impairment losses of \$2,514,161, a decrease of prepaid royalties of \$830,533 and a decrease of accounts receivable of \$591,191, partially offset by a decrease in deferred income tax liability of \$350,000 as well as the net loss of \$6,532,289 for the period.

Investing Activities

Our net cash provided by investing activities was \$451,020 for the year ended June 30, 2013 and resulted primarily from the proceeds from sale of fixed assets.

Our net cash used in investing activities was \$409,957 for the year ended June 30, 2012 and resulted primarily from the purchase of intangible assets and property and equipment.

Financing Activities

Our net cash used in financing activities was \$1,789,750 for the year ended June 30, 2013 and resulted primarily from payments under line of credit of \$1,000,000 and payments of capital lease obligations of \$738,783.

Our net cash used in financing activities was \$1,488,373 for the year ended June 30, 2012 and resulted primarily from payments of capital lease obligations of \$868,006 and payments under line of credit of \$748,673.

We entered into a Loan and Security Agreement with Silicon Valley Bank (“SVB”) on July 23, 2010, which as amended, provides for a \$4,000,000 revolving line of credit that matures on October 31, 2013. The SVB line of credit bears interest at the prime rate plus 2.5% for periods in which we maintain an account balance with SVB (less all indebtedness owed to SVB) of at least \$800,000 at all times during the prior calendar month (the “Streamline Period”), and at the prime rate plus 4.5% when a Streamline Period is not in effect. The interest rate on the line of credit was 6.5% as of June 30, 2013. The line of credit is secured by all of our company’s and its subsidiaries’ assets, excluding TAAG’s assets.

The line of credit is subject to certain financial and performance covenants with which we were in compliance as of June 30, 2013. The balance outstanding as of June 30, 2013 and June 30, 2012 was \$0 and \$1,000,000, respectively. As of June 30, 2013 and 2012, approximately \$2,000,000 and \$1,875,000, respectively, of available credit was unused under the line of credit.

Our company, through TAAG, has factoring agreements with ABN Amro (“ABN”) and Credit Cooperatif for working capital and credit administration purposes. Under the agreements, the factors purchase trade accounts receivable assigned to them by us. The accounts are sold (with recourse) at the invoice amount subject to a factor commission and other miscellaneous fees. Trade accounts receivable not sold remain in our custody and control and we maintain all credit risk on those accounts.

Under the agreement with ABN, we can borrow up to approximately \$1.3 million (Euro 1,000,000), limited to 40% of our trade accounts. The factor fee is 0.26% of the customer invoice including VAT and interest is charged on the amount financed at the one month Euribor interest rate plus 1.2%. The interest rate under the agreement was 1.74% per annum at June 30, 2013. As of June 30, 2013 and 2012, \$165,971 and \$197,039 was due from ABN, respectively.

Under the agreement with Credit Cooperatif, we can borrow up to approximately \$325,000 (Euro 250,000). The factor fee is determined on a case by case basis and is not specified in the agreement. The fee charged for the obligations outstanding as of June 30, 2013 was approximately 5%. As of June 30, 2013 and 2012, \$246,221 and \$256,636 was due to Credit Cooperatif, respectively, that relate to funds paid to the Company not yet returned to the factor.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Non-U.S. GAAP Measure – Adjusted EBITDA

In addition to our U.S. GAAP results, we present Adjusted EBITDA as a supplemental measure of our performance. However, Adjusted EBITDA is not a recognized measurement under U.S. GAAP. We define Adjusted EBITDA as net income (loss) from operations, plus depreciation and amortization, stock-based compensation, impairment of acquired intangibles and goodwill, loss on facility sublease, and (gain) loss on sale of fixed assets. Management considers our core operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations that period. Non-U.S. GAAP adjustments to our results prepared in accordance with U.S. GAAP are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Set forth below is a reconciliation of Adjusted EBITDA to income (loss) from operations for the years ended June 30, 2013 and 2012:

	Years Ended June 30,	
	2013	2012
Income (loss) from operations	\$363,685	\$(6,652,693)
Add (deduct):		
Depreciation and amortization	617,898	1,529,222
Stock-based compensation	386,563	203,540
Impairment of acquired intangibles and goodwill	-	2,514,161
Loss on facility sublease	233,015	-
(Gain) loss on sale of fixed assets	(476,904)	315
Adjusted EBITDA	\$1,124,257	\$(2,405,455)

We present Adjusted EBITDA because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA in developing our internal budgets, forecasts and strategic plan, in analyzing the effectiveness of our business strategies in evaluating potential acquisitions; in making compensation decisions and in communications with our board of directors concerning our financial performance. Adjusted EBITDA has limitations as an analytical tool which includes, among others, the following:

Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; and

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

MANAGEMENT

The following table identifies our current executive officers and directors, their respective age, offices and positions, and dates of election or appointment:

Name	Age	Position	Date of Appointment
Peter Victor Derycz	51	Chief Executive Officer, President and Chairman of the Board	January 6, 2006
Alan Louis Urban	45	Chief Financial Officer and Secretary	November 3, 2011
Scott Ahlberg	50	Chief Operating Officer of Reprints Desk	July 1, 2007
Janice Peterson	65	Director, Chief Publisher Relations Officer of Reprints Desk	July 1, 2006
Gen. Merrill McPeak (1)(2)	77	Director	November 5, 2010
Scott Ogilvie (1)(3)	59	Director	November 5, 2010
Gregory Suess (1)(4)	41	Director	November 5, 2010

(1) Member of Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee

(2) Chairman of the Compensation Committee

(3) Chairman of the Audit Committee

(4) Chairman of the Nominating and Corporate Governance Committee

Business Experience Descriptions

Peter Victor Derycz – Mr. Derycz founded Reprints Desk as its President in 2006. Mr. Derycz was a founder of Infotrieve, Inc. in 1989 and served as its President from February 2003 until September 2003. He served as the Chief Executive Officer of Puerto Luperon, Ltd. (Bahamas), a real estate development company, from January 2004 until December 2005. In January 2006, he was appointed to, and currently serves as a member of, the board of directors of Insignia Systems, Inc. (NASDAQ:ISIG), a consumer products advertising company. Mr. Derycz received a B.A. in Psychology from the University of California at Los Angeles. Our board of directors believes that Mr. Derycz' familiarity with the Company's day-to-day operations, his strategic vision for the Company's business and his past leadership and management experience make him uniquely qualified to serve as a director.

Alan Louis Urban — Mr. Urban has previously served in numerous senior management positions for emerging companies, including: Vice President of Finance and Treasurer for Infotrieve from 2000 to 2004; Chief Financial Officer of a leading online poker company from 2005 to 2006, where he led the global reorganization of the company; and Chief Financial Officer of ReachLocal, Inc. (NASDAQ:RLOC) from 2007 to 2009, an internet marketing company that ranked #1 on Deloitte's Tech Fast 500 list. Mr. Urban has also held positions as an audit and tax manager in public accounting, and as an internal auditor. He holds a BS in Business, with a concentration in Accounting Theory and Practice, from California State University, Northridge and has been a Certified Public Accountant (currently inactive) since 1998.

Scott Ahlberg – Mr. Ahlberg has many years of experience in content and startup businesses. Mr. Ahlberg started with Dynamic Information (EbscoDoc) in the 1980s, then went on to lead Sales and Marketing at Infotrieve, Inc. during many years of rapid growth in the 1990s. After leaving Infotrieve in 2005 Mr. Ahlberg provided consulting services to ventures in professional networking and medical podcasting. He joined Reprints Desk in 2006. His areas of expertise include strategic planning, operational innovation, copyright and content licensing, and quality management. Scott has degrees from Stanford University (BA, 1984) and the University of London (MA, 1990).

Janice Peterson – Ms. Peterson was Vice President for Content Development at Infotrieve, Inc. from 2000 to 2006 and Vice President for Publisher Relations and Content Development at RoweCom, formerly Faxon/Dawson, from 1997 to 2000. Ms. Peterson was at Academic Press (now Elsevier) for 14 years, where her last position was Fulfillment Director. Ms. Peterson is Past Chair of the Board of Directors for the National Information Standards Organization (NISO), and she is the past chair of the International Committee for EDI in Serials (ICEDIS). She has a degree in History from Whittier College and an M.A. in Asian Studies from California State College, San Diego. She joined Reprints Desk in 2006. Our board of directors believes that Ms. Peterson should serve as a director due to her extensive industry-specific knowledge and business experience, including a familiarity with the Company's day-to-day operations.

General Merrill McPeak – Gen. McPeak is President of McPeak and Associates, a company he founded in 1995. From 1990 until his retirement from active military service in late-1994, he was chief of staff of the U.S. Air Force. During this period, he was the senior officer responsible for organization, training and equipage of a combined active duty, National Guard, Reserve and civilian work force of over 850,000 people serving at 1,300 locations in the United States and abroad. As a member of the Joint Chiefs of Staff, he and the other service chiefs were military advisors to the Secretary of Defense and the President. Gen. McPeak has been a director on the boards of a dozen publicly traded companies, including long service with the airline, TWA, and with the test and measurement company, Tektronix. He was for many years Chairman of the Board of ECC, International, until that company was acquired by Cubic Corporation. Currently, Gen. McPeak is a director of Gencorp. (NYSE:GY), Genesis Biopharma (OTC Markets:GNBP) and Miller Energy Resources, (NASDAQ:MILL). He is chairman of the board of Coast Plating, Inc., a California-based privately held provider of metal processing and finishing services and is a director of privately held NAVEX Global. Our board of directors concluded that Gen. McPeak should serve as a director in light of his demonstrated leadership abilities and years of experience serving on the boards of directors of numerous publicly traded corporations.

Scott V. Ogilvie – Mr. Ogilvie is currently the President of AFIN International, Inc., a private equity/business advisory firm, which he founded in 2006. Additionally, Mr. Ogilvie is Managing Director of Wirthlin Worldwide International, Wirthlin Worldwide Investors, LLC and Wirthlin, a Dentons Innovation Group Partnership, LLC, private equity strategic advisory firms. From 2006 to December 31, 2009, he was CEO of Gulf Enterprises International, Ltd, a strategic advisory company that brought strategic partners, expertise and investment capital to the Middle East and North Africa. Mr. Ogilvie previously served as Chief Operating Officer of CIC Group, Inc., an investment manager, a position he held from 2001 to 2007. He began his career as a corporate and securities lawyer with Hill, Farrer & Burrill, and has extensive public and private corporate management and board experience in finance, real estate, and technology companies. Mr. Ogilvie currently serves on the board of directors of Neuralstem, Inc. (NYSE AMEX:CUR) and Genspera, Inc. (OTCQB:GNSZ). Mr. Ogilvie received a BSBA-Finance degree from the

University of Denver (1976), and a Juris Doctor degree from the University of California, Hastings College of Law (1979). In light of Mr. Ogilvie's financial and executive experience, including his experience having served as a director and audit committee member of several public companies, our board of directors believes it to be in the Company's best interests that Mr. Ogilvie serve as a director.

Gregory Suess – Mr. Suess is a founding partner of ROAR, an entertainment and media focused management and consulting company formed in 2000. Since 1997, Mr. Suess has practiced with the law firm of Glaser, Weil, Fink, Jacobs, Howard, Avchen & Shapiro, LLP, where he is currently a Partner and focuses on general corporate law, media and entertainment. Mr. Suess holds a Bachelor of Science from the University of Southern California (Lloyd Greif Center for Entrepreneurial Studies), and holds a JD/MBA from Pepperdine University. Mr. Suess serves on the Boards of Directors of Wizard World, Inc. (OTCQB:WIZD) and Camp Southern Ground, Inc. Our board of directors believes that Mr. Suess is a valuable addition to our board of directors due to his business and educational background in management and finance, including his experience as a director of other companies and as an owner and officer of multiple businesses.

Director Independence

Our board of directors has determined that Gen. McPeak, Mr. Ogilvie and Mr. Suess are independent directors as that term is defined by the applicable rules for companies traded on the NASDAQ Stock Market. Each of them is also a member of our audit committee, compensation committee and nominating and governance committee, and each of them meets the NASDAQ Stock Market's independence standards for members of such committees. Our board of directors has determined that Mr. Ogilvie qualifies as an audit committee financial expert serving on our audit committee.

Term of Office and Family Relationships

All directors hold office until the next annual meeting of stockholders and the election and qualification of their successors. Officers are elected by our board of directors and serve at its discretion. There are no family relationships among any of our executive officers or directors.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish the Company with copies of all Section 16(a) forms they file. Our review of copies of the Section 16(a) reports filed during the fiscal year ended June 30, 2013 indicates that all filing requirements applicable to our officers, directors, and greater than ten percent beneficial owners were complied with, other than Ms. Peterson and Messrs. McPeak, Ogilvie, Suess, Ahlberg, Derycz and Urban, each of whom did not timely file one Form 4 reporting one transaction, and Bristol Investment Fund Ltd., which did not timely file one Form 4 reporting two transactions.

Code of Ethics

We have adopted a written code of ethics that applies to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or persons performing similar functions. We have posted a copy of the code in the Corporate Governance – Code of Ethical Conduct section of our website, www.researchsolutions.com.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table summarizes all compensation for the last two fiscal years awarded to, earned by, or paid to our Chief Executive Officer (principal executive officer) and our two most highly compensated executive officers other than our CEO who were serving as executive officers at the end of our last completed fiscal year, whose total compensation exceeded \$100,000 during such fiscal year ends.

Name and principle Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Nonqualified deferred compensation (\$)	All other compensation (\$)	Total compensation (\$)	
Peter Victor Derycz Chief Executive Officer and President	2013	240,000	108,000	-	50,560	(1)(2)	-	6,947	405,507	
	2012	240,000	-	-	-	-	-	5,296	245,296	
Alan Louis Urban	2013	175,000	82,500	13,455	(3)	17,280	(4)	-	3,821	292,056

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Chief Financial Officer	2012	104,906	-	-	125,000 ⁽⁵⁾	-	-	3,786	233,692
Scott Ahlberg	2013	165,000	86,400	14,352 ⁽⁶⁾	18,432 ⁽⁷⁾	-	-	4,132	288,316
Chief Operating Officer, Reprints Desk	2012	60,000	281,000	-	-	-	-	6,983	347,983

Represents the grant date fair value of options granted on February 13, 2013 to purchase 32,000 shares of common stock at an exercise price of \$1.25. The grant date fair value was estimated using the Black-Scholes option pricing (1) model with the following weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 132%; expected term of 6 years; and no dividend yield. The stock options vest over a three year period, with a one year cliff vesting period, and expire on February 13, 2023.

Represents the grant date fair value of options granted on May 20, 2013 to purchase 16,000 shares of common stock at an exercise price of \$1.85. The grant date fair value was estimated using the Black-Scholes option pricing (2) model with the following weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 130%; expected term of 6 years; and no dividend yield. The stock options vest over a three year period, with a one year cliff vesting period, and expire on May 20, 2023.

Represents the grant date fair value of 7,273 shares of restricted stock granted on May 20, 2013. The grant date fair value was estimated using the market price of the Company's common stock at the date of grant. The restricted (3) stock vests over a three year period, with a one year cliff vesting period, and remain subject to forfeiture if vesting conditions are not met.

Represents the grant date fair value of options granted on February 6, 2013 to purchase 24,000 shares of common stock at an exercise price of \$1.15. The grant date fair value was estimated using the Black-Scholes option pricing (4) model with the following weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 132%; expected term of 6 years; and no dividend yield. The stock options vest over a three year period, with a one year cliff vesting period, and expire on February 6, 2023

Represents the grant date fair value of options granted on March 5, 2012 to purchase 125,000 shares of common stock at an exercise price of \$1.30. The grant date fair value was estimated using the Black-Scholes option pricing (5) model with the following weighted-average assumptions: risk-free interest rate of 0.8%; volatility of 144%; expected term of 6 years; and no dividend yield. The stock options vest over a three year period, with a one year cliff vesting period, and expire on March 5, 2022.

Represents the grant date fair value of 7,758 shares of restricted stock granted on May 20, 2013. The grant date fair value was estimated using the market price of the Company's common stock at the date of grant. The restricted (6) stock vests over a three year period, with a one year cliff vesting period, and remain subject to forfeiture if vesting conditions are not met.

Represents the grant date fair value of options granted on February 6, 2013 to purchase 25,600 shares of common stock at an exercise price of \$1.15. The grant date fair value was estimated using the Black-Scholes option pricing (7) model with the following weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 132%; expected term of 6 years; and no dividend yield. The stock options vest over a three year period, with a one year cliff vesting period, and expire on February 6, 2023

Outstanding Equity Awards at Fiscal Year Ended June 30, 2013

The following table sets forth information regarding stock options and other stock awards (restricted stock) for each named executive officer as of June 30, 2013.

Name	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Option exercise price (\$)	Option expiration date (5)	Stock Awards: Number of shares of stock that have not vested (#)	Stock Awards: Market value of shares of stock that have not vested (6) (\$)
Peter Victor Derycz	-	32,000	(1) \$ 1.25	2/13/2023	-	-
	-	16,000	(2) \$ 1.85	5/20/2023	-	-
Alan Louis Urban	100,000	-	\$ 1.02	7/27/2020	-	-
	62,500	62,500	(3) \$ 1.30	3/5/2022	-	-
	-	24,000	(4) \$ 1.15	2/6/2023	-	-
	-	-	-	-	7,273	(2) \$ 13,455
Scott Ahlberg	75,000	-	\$ 1.50	12/21/2017	-	-
	75,000	-	\$ 1.00	5/28/2019	-	-
	20,000	-	\$ 1.02	7/27/2020	-	-
	-	25,600	(4) \$ 1.15	2/6/2023	-	-
	-	-	-	-	7,758	(2) \$ 14,352

(1) The stock options were granted on February 13, 2013 and vest over a three year period, with a one year cliff vesting period.

- (2) The stock options and restricted stock were granted on May 20, 2013 and vest over a three year period, with a one year cliff vesting period.
- (3) The stock options were granted on March 5, 2012 and vest over a three year period, with a one year cliff vesting period.
- (4) The stock options were granted on February 6, 2013 and vest over a three year period, with a one year cliff vesting period.
- (5) Stock options expire ten years from the grant date.
- (6) Based on a market closing price per share of common stock of \$1.85 on May 20, 2013.

Employment Agreements

Peter Victor Derycz

On July 1, 2010, we entered into an executive employment agreement with Mr. Derycz which was subsequently amended on July 26, 2013. Under the terms of the executive employment agreement, Mr. Derycz has agreed to serve as our Chief Executive Officer and President on an at-will basis. The term of the agreement ends on June 30, 2015. The agreement provides for a base salary of \$276,000 per year. No part of Mr. Derycz's salary is allocated to his duties as a director of our company.

The agreement contains provisions that prohibit Mr. Derycz from soliciting our customers or employees during his employment with us and for one year afterward. The agreement also contains provisions that restrict disclosure by Mr. Derycz of our confidential information and assign ownership to us of inventions related to our business that are created by him during his employment. We may terminate the agreement at any time, with or without cause. Mr. Derycz will be eligible to receive an amount equal to three (3) months of his then-current base salary payable in the form of salary continuation if he is terminated without cause. Mr. Derycz may terminate the agreement at any time, with or without reason, upon four weeks' advance written notice.

Alan Louis Urban

On November 3, 2011, we entered into an executive employment agreement with Mr. Urban which was subsequently amended on July 26, 2013. Under the terms of the executive employment agreement, Mr. Urban has agreed to serve as our Chief Financial Officer on an at-will basis. The term of the agreement ends on June 30, 2015. The agreement provides for a base salary of \$201,250 per year.

The agreement contains provisions that prohibit Mr. Urban from soliciting our customers or employees during his employment with us and for one year afterward. The agreement also contains provisions that restrict disclosure by Mr. Urban of our confidential information and assign ownership to us of inventions related to our business that are created by him during his employment. We may terminate the agreement at any time, with or without cause. Mr. Urban will be eligible to receive an amount equal to three (3) months of his then-current base salary payable in the form of salary continuation if he is terminated without cause. Mr. Urban may terminate the agreement at any time, with or without reason, upon four weeks' advance written notice.

Scott Ahlberg

On July 1, 2010, we entered into an executive employment agreement with Mr. Ahlberg which was subsequently amended on July 26, 2013. Under the terms of the executive employment agreement, Mr. Ahlberg has agreed to serve as Chief Operating Officer of Reprints Desk on an at-will basis. The term of the agreement ends on June 30, 2015. The agreement provides for a base salary of \$178,200 per year.

The agreement contains provisions that prohibit Mr. Ahlberg from soliciting our customers or employees during his employment with us and for one year afterward. The agreement also contains provisions that restrict disclosure by Mr. Ahlberg of our confidential information and assign ownership to us of inventions related to our business that are created by him during his employment. We may terminate the agreement at any time, with or without cause. Mr. Ahlberg will be eligible to receive an amount equal to three (3) months of his then-current base salary payable in the form of salary continuation if he is terminated without cause. Mr. Ahlberg may terminate the agreement at any time,

with or without reason, upon four weeks' advance written notice.

Janice Peterson

On July 1, 2010, we entered into an executive employment agreement with Ms. Peterson which was subsequently amended on July 26, 2013. Under the terms of the executive employment agreement, Ms. Peterson has agreed to serve as Chief Publisher Relations Officer of Reprints Desk on an at-will basis. The term of the agreement ends on June 30, 2015. The agreement provides for a base salary of \$145,800 per year. No part of Ms. Peterson's salary is allocated to her duties as a director of our company.

The agreement contains provisions that prohibit Ms. Peterson from soliciting our customers or employees during her employment with us and for one year afterward. The agreement also contains provisions that restrict disclosure by Ms. Peterson of our confidential information and assign ownership to us of inventions related to our business that are created by her during her employment. We may terminate the agreement at any time, with or without cause. Ms. Peterson will be eligible to receive an amount equal to three (3) months of her then-current base salary payable in the form of salary continuation if she is terminated without cause. Ms. Peterson may terminate the agreement at any time, with or without reason, upon four weeks' advance written notice.

2007 Equity Compensation Plan

Our 2007 Equity Compensation Plan ("2007 Plan") is administered by our Compensation Committee or our board of directors. The purposes of the 2007 Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and individuals providing services, and to promote the success of our business. The issuance of awards under our 2007 Plan is at the discretion of the administrator, which has the authority to determine the persons to whom any awards shall be granted and the terms, conditions and restrictions applicable to any award. Under our 2007 Plan, we may grant incentive and non-qualified stock options, stock appreciation rights as well as restricted and unrestricted stock. Our 2007 Plan, as amended, authorizes the issuance of up to 3,000,000 shares of common stock in connection with the forgoing awards. As of October 15, 2013, we have granted awards under the 2007 Plan equal to 2,153,054. Accordingly, there are 846,946 shares of common stock available for future awards under the 2007 Plan.

Change of Control

To the knowledge of management, there are no present arrangements or pledges of securities of our company that may result in a change in control of our company.

DIRECTOR COMPENSATION

The following table sets forth in summary form information concerning the compensation that we paid or awarded during the year ended June 30, 2013 to each of our non-executive directors:

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Warrant and Option Awards (\$)	Non-equity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Gen. Merrill McPeak	12,000		34,500 (1)		-		46,500
Scott Ogilvie	12,000		34,500 (1)		-		46,500
Janice Peterson	-		-		-	221,428	(2) 221,428
Gregory Suess	12,000		34,500 (1)		-		46,500

Represents the grant date fair value of stock options granted on February 6, 2013 to purchase 50,000 shares of common stock at an exercise price of \$1.15. The grant date fair value was estimated using the Black-Scholes (1) option pricing model with the following weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 132%; expected term of 5 years; and no dividend yield. The stock options vested immediately and expire on February 6, 2023.

Ms. Peterson received no compensation for her services as a director of the Company. Other compensation represents the following amounts paid to Ms. Peterson for her services as an employee of the Company: salary in the amount of \$135,000, bonus in the amount of \$59,400, grant date fair value of stock options of \$12,672 (represents the grant date fair value of options granted on February 6, 2013 to purchase 17,600 shares of common stock at an exercise price of \$1.15, estimated using the Black-Scholes option pricing model with the following (2) weighted-average assumptions: risk-free interest rate of 1.08%; volatility of 132%; expected term of 6 years; and no dividend yield; vesting over a three year period with a one year cliff vesting period and expiring on February 6, 2023), grant date fair value of restricted stock of \$9,866 (represents the grant date fair value of 5,333 shares of restricted stock granted on May 20, 2013, estimated using the market price of our common stock at the date of grant, vesting over a three year period with a one year cliff vesting period, and subject to forfeiture if vesting conditions are not met), and other compensation in the amount of \$4,490.

Director Compensation Plan

Pursuant to the terms of our director compensation policy, non-employee directors will be entitled to the following compensation for service on our Board:

Annual Retainer. Directors receive an annual cash retainer of \$12,000, paid quarterly.

Annual Grant. Each year, eligible directors will be granted warrants/options to purchase 50,000 shares of common stock. The grant is immediately vested upon granting. All warrants issued pursuant to the non-executive board compensation policy will have an exercise price equal to the fair market value of our common stock at close of market on the grant date. The term of the warrants shall be for a period of 10 years from the grant date.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the transactions described herein, since July 1, 2011, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party:

in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years; and

in which any director, executive officer, shareholder who beneficially owns 5% or more of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

Information regarding disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction is incorporated by reference from the section of this prospectus entitled “*Executive Compensation.*”

Information regarding disclosure of compensation to a director is incorporated by reference from the section of this prospectus entitled “*Director Compensation.*”

We have entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements and our bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Nevada law.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of October 15, 2013, with respect to the holdings of (1) each person who is the beneficial owner of more than five percent of our common stock, (2) each of our directors, (3) each named executive officer, and (4) all of our directors and executive officers as a group.

Beneficial ownership of the common stock is determined in accordance with the rules of the Securities and Exchange Commission and includes any shares of common stock over which a person exercises sole or shared voting or investment powers, or of which a person has a right to acquire ownership at any time within 60 days of October 15, 2013. Except as otherwise indicated, and subject to applicable community property laws, the persons named in this table have sole voting and investment power with respect to all shares of common stock held by them. The address of each director and officer is c/o Research Solutions, Inc., 5435 Balboa Blvd., Suite 202, Encino, California 91316. Applicable percentage ownership in the following table is based on 17,121,298 shares of common stock outstanding as of October 15, 2013 plus, for each person, any securities that person has the right to acquire within 60 days of October 15, 2013.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares
Greater than 5% Shareholder:	4,783,910	27.7 %

Bristol Investment Fund, Ltd. (1) (2)
 69 Dr. Roy's Drive
 George Town, Grand Cayman
 Cayman Islands, KY1-1102

Directors and Executive Officers:

Peter Victor Derycz (3)	4,033,333	23.6	%
Alan Louis Urban (4)	254,195	1.5	%
Scott Ahlberg (5)	216,235	1.3	%
Janice Peterson (6)	223,666	1.3	%
Gen. Merrill McPeak (7)	150,000	*	%
Scott Ogilvie (7)	150,000	*	%
Gregory Suess (7)	150,000	*	%
All Directors and Executive Officers as a group (7 persons) (8)	5,177,429	28.6	%

*

Less than 1%.

- (1) Paul Kessler exercises investment and voting control over the shares held by Bristol Investment Fund, Ltd. and is the brother-in-law of Peter Victor Derycz.
- (2) Includes warrants to purchase 162,500 shares of common stock at an exercise price of \$2.00 per share. Includes 400,000 shares owned by the wife of Mr. Derycz and 4,905 shares owned by each of the four children of Mr. Derycz, and 33,333 shares of restricted stock. The restricted stock was granted on September 6, 2013, and vests over a three year period, with a one year cliff vesting period, and remains subject to forfeiture if vesting conditions are not met.
- (3)

(4) Includes options to purchase 100,000 shares of common stock at an exercise price of \$1.02 per share, options to purchase 72,917 shares of common stock at an exercise price of \$1.30 per share, 7,273 shares of restricted stock granted on May 20, 2013, and 25,833 shares of restricted stock granted on September 6, 2013. The restricted stock vests over a three year