

Edgar Filing: RYDER SYSTEM INC - Form SC 13G

RYDER SYSTEM INC  
Form SC 13G  
February 01, 2008

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

SCHEDULE 13G  
Under the Securities Exchange Act of 1934  
(Amendment No.   )\*

RYDER SYSTEM, INC.

-----  
(Name of Issuer)

Common Stock, \$0.50 par value

-----  
(Title of Class of Securities)

783549108

-----  
(CUSIP Number)

December 31, 2007

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 783549108  
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13G

-----  
1. Name of Reporting Person  
I.R.S. Identification No. of above Person  
  
GOLDMAN SACHS ASSET MANAGEMENT, L.P.  
-----

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

-----  
3. SEC Use Only  
-----

-----  
4. Citizenship or Place of Organization

Delaware  
-----

5. Sole Voting Power

Number of 2,895,863

Shares

Beneficially

-----  
6. Shared Voting Power

48,400

Owned by

Each

-----  
7. Sole Dispositive Power

Reporting 3,137,229

Person

With:

-----  
8. Shared Dispositive Power

50,500  
-----

9. Aggregate Amount Beneficially Owned by Each Reporting Person

3,187,729  
-----

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

-----  
11. Percent of Class Represented by Amount in Row (9)  
-----

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5.5 %

-----  
12. Type of Reporting Person

IA  
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- Item 1(a). Name of Issuer:  
RYDER SYSTEM, INC.
- Item 1(b). Address of Issuer's Principal Executive Offices:  
11690 NW 105th Street  
Miami, Florida 33178.
- Item 2(a). Name of Persons Filing:  
GOLDMAN SACHS ASSET MANAGEMENT, L.P.
- Item 2(b). Address of Principal Business Office or, if none, Residence:  
Goldman Sachs Asset Management, L.P.  
32 Old Slip  
New York, NY 10005
- Item 2(c). Citizenship:  
GOLDMAN SACHS ASSET MANAGEMENT, L.P. - Delaware
- Item 2(d). Title of Class of Securities:  
Common Stock, \$0.50 par value
- Item 2(e). CUSIP Number:  
783549108
- Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:
- (a).[ ] Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
  - (b).[ ] Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c).[ ] Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d).[ ] Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
  - (e).[X] An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

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- (f).[ ] An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g).[ ] A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h).[ ] A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i).[ ] A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j).[ ] Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

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- Item 4. Ownership.\*
- (a). Amount beneficially owned:  
See the response(s) to Item 9 on the attached cover page(s).
  - (b). Percent of Class:  
See the response(s) to Item 11 on the attached cover page(s).
  - (c). Number of shares as to which such person has:
    - (i). Sole power to vote or to direct the vote: See the response(s) to Item 5 on the attached cover page(s).
    - (ii). Shared power to vote or to direct the vote: See the response(s) to Item 6 on the attached cover page(s).
    - (iii). Sole power to dispose or to direct the disposition of: See the response(s) to Item 7 on the attached cover page(s).
    - (iv). Shared power to dispose or to direct the disposition of: See the response(s) to Item 8 on the attached cover page(s).
- Item 5. Ownership of Five Percent or Less of a Class.  
Not Applicable
- Item 6. Ownership of More than Five Percent on Behalf of Another Person.  
Not Applicable
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.  
Not Applicable
- Item 8. Identification and Classification of Members of the Group.  
Not Applicable
- Item 9. Notice of Dissolution of Group.  
Not Applicable
- Item 10. Certification.  
By signing below I certify that, to the best of my knowledge

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and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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\* In accordance with Securities and Exchange Commission ("SEC") Release No. 34-39538 (January 12, 1998), this filing reflects the securities beneficially owned by Goldman Sachs Asset Management, L.P. ("GSAM LP"). GSAM LP, an investment advisor, disclaims beneficial ownership of any securities managed, on GSAM LP's behalf, by third parties.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: January 29, 2008

GOLDMAN SACHS ASSET MANAGEMENT, L.P.

By:/s/ Ronald L. Christopher

-----  
Name: Ronald L. Christopher  
Title: Attorney-in-fact

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INDEX TO EXHIBITS

Exhibit No.	Exhibit
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99.1	Power of Attorney, relating to GOLDMAN SACHS ASSET MANAGEMENT, L.P.

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EXHIBIT (99.1)

POWER OF ATTORNEY

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KNOW ALL PERSONS BY THESE PRESENTS that GOLDMAN SACHS ASSET MANAGEMENT, L.P. (the "Company") does hereby make, constitute and appoint each of Catherine Wedgbury, Ronald L. Christopher and Lauren LoFaro, (and any other employee of The Goldman Sachs Group, Inc. or one of its affiliates designated in writing by one of the attorneys-in-fact), acting individually, its true and lawful attorney, to execute and deliver in its name and on its behalf whether the Company is acting individually or as representative of others, any and all filings required to be made by the Company under the Securities Exchange Act of 1934, (as amended, the "Act"), with respect to securities which may be deemed to be beneficially owned by the Company under the Act, giving and granting unto each said attorney-in-fact power and authority to act in the premises as fully and to all intents and purposes as the Company might or could do if personally present by one of its authorized signatories, hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY shall remain in full force and effect until either revoked in writing by the undersigned or until such time as the person or persons to whom power of attorney has been hereby granted cease(s) to be an employee of The Goldman Sachs Group, Inc. or one of its affiliates.

IN WITNESS WHEREOF, the undersigned has duly subscribed these presents as of December 4, 2007.

GOLDMAN SACHS ASSET MANAGEMENT, L.P.

By:/s/ Ellen R. Porges

\_\_\_\_\_  
Name: Ellen R. Porges  
Title: Managing Director

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align: justify">establishing advance notice requirements for election to our Board of Directors or proposing matters that can be acted on by shareholders at shareholder meetings; and

· limiting our ability to enter into business combination transactions with certain shareholders.

Pursuant to the terms of our management agreement, our Manager is entitled to a termination fee if such agreement is terminated upon a "change of control," which term includes, but is not limited to, the election of a director not recommended by the then-current Board of Directors, any person or entity or group of affiliated persons or entities that becomes a beneficial owner of 15% or more of our voting securities, a merger of FreeSeas where less than a majority of the shares of the resulting entity are held by the FreeSeas shareholders or the sale of all or substantially all of FreeSeas' assets. The termination fee as of December 31, 2013 would have been \$91,314. In addition, we have implemented a shareholder rights plan pursuant to which the holders of our common stock receive one right to

purchase one one-thousandth of a share of our Series A Participating Preferred Stock at an exercise price of \$90.00 per share, subject to adjustment. The rights become exercisable upon the occurrence of certain change in control events. These provisions and our shareholder rights plan could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

### **Risks Relating to this Offering**

*We will have immediate and broad discretion over the use of the net proceeds from this offering.*

There is no minimum offering amount required as a condition to closing this offering and therefore net proceeds from this offering will be immediately available to us to use at our discretion. We intend to use the net proceeds to reduce our debt obligations to Credit Suisse and NBG, including closing on the proposed settlement agreements, if possible, as well as for general corporate purposes. Our judgment may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial, or other information upon which we base our decisions.

***Future sales by our stockholders may adversely affect our stock price and our ability to raise funds in new stock offerings.***

Sales of our common stock in the public market following this offering could lower the market price of our common stock. Sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that our management deems acceptable or at all.

***You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.***

You will incur immediate and substantial dilution as a result of this offering. After giving effect to the sale by us of up to [\*] shares of convertible preferred stock and accompanying warrants to purchase an additional [\*] shares of our common stock, and after deducting estimated offering fees and expenses payable by us, investors in this offering can expect an immediate dilution of \$[\*] per share, or [\*]%, at the public offering price, assuming no exercise of the warrants. In addition, in the past, we issued options and warrants to acquire shares of common stock. To the extent these options are ultimately exercised, you will sustain future dilution.

***There is no public market for the convertible preferred stock or the warrants being offered in this offering.***

There is no established public trading market for the convertible preferred stock or the warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply for listing the convertible preferred stock or the warrants on any securities exchange. Without an active market, the liquidity of the convertible preferred stock and the warrants will be limited.

***Because there is no minimum required for the offering to close, investors in this offering will not receive a refund in the event that we do not sell an amount of securities sufficient to pursue the business goals outlined in this prospectus.***

We have not specified a minimum offering amount nor have or will we establish an escrow account in connection with this offering. Because there is no escrow account and no minimum offering amount, investors could be in a position where they have invested in our company, but we are unable to fulfill our objectives or proceed with our operations due to a lack of interest in this offering. If this were to occur, we may be forced to curtail our operations with a loss to investors who purchase securities under this prospectus. Further, because there is no escrow account in



operation and no minimum investment amount, any proceeds from the sale of securities offered by us will be available for our immediate use, despite uncertainty about whether we would be able to use such funds to effectively implement our business plan. Investor funds will not be returned under any circumstances whether during or after the offering.

***Our management might not use the proceeds of this offering effectively.***

Our management has broad discretion over the use of proceeds of this offering. Accordingly, it is possible that our management may allocate the proceeds in ways that do not improve our operating results. In addition, cash proceeds received in the offering may be temporarily used to purchase short-term, low-risk investments, and such investments might not be invested to yield a favorable rate of return.

***We are selling the securities offered in this prospectus without an underwriter and may not be able to sell any of the shares offered herein.***

Our officers and directors are offering the convertible preferred stock and warrants being sold on our behalf. There is no broker-dealer retained as an underwriter and no broker-dealer is under any obligation to purchase any securities. There are no firm commitments to purchase any of the securities in this offering. Consequently, there is no guarantee that we will be capable of selling all, or any, of the securities being offered hereby.

**PRICE RANGE OF OUR PUBLICLY TRADED SECURITIES**

Our common stock began trading on the NASDAQ Capital Market on February 19, 2013 under the trading symbol "FREE." Prior to that time, our common stock was traded on the NASDAQ Global Market under the symbol "FREE."

The high and low sales prices of our common stock as reported by the NASDAQ Stock Market, for the years, quarters and months indicated, are as follows (adjusted to give effect of our one share for five share reverse stock split that was effective on October 1, 2010, our one share for ten share reverse split that was effective on February 14, 2013 and our one share for five share reverse stock split that was effective on December 2, 2013):

	Common Stock	
For the Years Ended:	High	Low
December 31, 2009	\$872.50	\$292.50
December 31, 2010	397.50	180.50
December 31, 2011	194.50	20.00
December 31, 2012	92.50	3.50
December 31, 2013	29.00	0.85

	Common Stock	
For the Quarters Ended:	High	Low
June 30, 2012	\$92.50	\$31.50
September 30, 2012	33.00	10.50
December 31, 2012	12.00	3.50
March 31, 2013	29.00	3.10
June 30, 2013	7.20	1.70
September 30, 2013	4.65	0.85
December 31, 2013	4.20	1.00
March 31, 2014	2.44	1.55

	Common Stock	
For the Months Ended:	High	Low
October 31, 2013	\$4.20	\$1.80
November 30, 2013	2.23	1.43
December 31, 2013	3.10	1.00
January 31, 2014	2.44	1.65
February 28, 2014	2.12	1.55
March 31, 2014	2.33	1.55

**DIVIDEND POLICY**

In light of a lower freight environment and a highly challenging financing environment, which has adversely affected our results of operations and our compliance with our debt obligations, our Board of Directors, beginning in February 2009, suspended the cash dividend on our common stock. Our dividend policy will be assessed by our Board of Directors from time to time; however, it is not likely that we will reinstate the payment of dividends until market conditions significantly improve. In addition, our loan agreements do not allow us to pay dividends without the prior written approval of our lenders. Therefore, there can be no assurance that, if we were to determine to resume paying cash dividends, our lenders would provide any required consent.

## **USE OF PROCEEDS**

We estimate that the net proceeds to us from the sale of the securities offered under this prospectus, after deducting our estimated offering expenses, will be approximately \$[\*] million if we sell the maximum amount of convertible preferred stock and warrants offered hereby. Because there is no minimum offering amount required as a condition to closing this offering, we may sell fewer than all of the securities offered hereby, which may significantly reduce the amount of proceeds received by us.

We currently intend to use the majority of the net proceeds to reduce our debt obligations to Credit Suisse and NBG, including closing on the proposed settlement agreements with debt forgiveness as described in the “Recent Developments” section above, as well as, if possible, for general corporate purposes. At this time we cannot estimate the allocation of the net proceeds of this offering among these anticipated uses. The amounts and timing of the expenditures may vary significantly depending on numerous factors, including the net proceeds to us from the sales of the securities offered under this prospectus and our need for and ability to raise additional capital to continue operations. We reserve the right to change the use of proceeds as a result of certain contingencies, such as those discussed above and any future opportunities to evaluate, negotiate and complete one or more strategic or partnering transactions. Accordingly, our management will have broad discretion in the application of the net proceeds of this offering. Pending use of the net proceeds, we intend to invest the net proceeds in short-term, interest-bearing, investment-grade securities.

**CAPITALIZATION**

The following table sets forth our capitalization as of December 31, 2013:

· on an actual basis;

on a pro forma basis to give effect to our sale of [\*] shares of convertible preferred stock in this offering, or [\*] shares of common stock issuable upon conversion of the convertible preferred stock, less the placement agent's fees and our estimated offering expenses, and assuming the convertible preferred stock does not carry an embedded conversion feature.

You should read this table in conjunction with the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with our consolidated financial statements and the notes thereto as of December 31, 2013, which are incorporated by reference in this prospectus.

	As of December 31, 2013 (unaudited)	
	Actual	Pro Forma
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 56,000 Series C Convertible Preferred stock issued and outstanding at December 31, 2013	\$ —	[*]
Common stock, \$0.001 par value; 250,000,000 shares authorized; 22,753,868 shares issued and outstanding at December 31, 2013; [*] shares issued and outstanding pro forma;	23	[*]
Additional paid-in capital	185,009	[*]
Accumulated deficit	(172,239 )	[*]
Total stockholders' equity	\$ 12,793	\$ [*]

The outstanding shares information in the table above excludes:

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2,800,000 shares of common stock issuable upon the conversion of 56,000 shares of Series C Preferred Stock issued in the financing we entered in November 2013, at a conversion price of \$2.00 per share. These shares were issued in January 2014;

67,476 shares of common stock issued to Asher on February 6, 2014 upon conversion of \$75 principal of a convertible promissory note dated July 29, 2013 plus accrued interest;

53,700 shares of common stock issued to Asher on February 7, 2014 upon conversion of the remaining principal of \$53.5 convertible promissory note dated July 29, 2013 plus accrued interest;

7,500,000 shares of common stock issuable upon the exercise of outstanding warrants issued in the financing we entered in November 2013, at an exercise price of \$2.60 per share; and

[\*] shares of our common stock issuable upon the exercise of warrants to be issued to the purchasers in this offering, at an exercise price of \$[\*] per share.

**DILUTION**

If you invest in the securities being offered by this prospectus, you will suffer immediate and substantial dilution in the net tangible book value per share of common stock. Our net tangible book value as of December 31, 2013 was approximately \$12,793, or approximately \$0.56 per share of common stock. Net tangible book value per share is determined by dividing our net tangible book value, which consists of our total tangible assets less total liabilities, by the number of shares of our common stock outstanding on that date.

Dilution in net tangible book value per share represents the difference between the price per share paid by purchasers in this offering and the net tangible book value per share of our common stock immediately after this offering. Without taking into account any other changes in the net tangible book value after December 31, 2013, other than to give effect to our receipt of the estimated proceeds from the sale of [\*] shares of convertible preferred stock and accompanying warrants to purchase [\*] shares of our common stock in this offering at an offering price of \$1,000, or [\*] shares of common stock issuable upon conversion of the convertible preferred stock at an effective acquisition price of \$[\*], per share of common stock, less our estimated offering expenses, our net tangible book value as of December 31, 2013, after giving effect to the items above, would have been approximately \$[\*] million, or approximately \$[\*] per share of common stock. This represents an immediate increase of \$[\*] in net tangible book value per share to our existing stockholders and an immediate dilution of \$[\*] per share to purchasers of securities in this offering. The following table illustrates this per share dilution:

Assumed public offering price per share (unaudited)	\$[*]
Net tangible book value per share as of December 31, 2013	\$0.56
Increase in net tangible book value per share attributable to this offering (unaudited)	\$[*]
Pro forma net tangible book value per share as of December 31, 2013 (unaudited)	\$[*]
Dilution in pro forma net tangible book value per share to new Investors in this offering (unaudited)	\$[*]

The above table is based on 22,753,868 shares of our common stock outstanding as of December 31, 2013 (as adjusted [\*] shares of common stock to be issued in this offering), and excludes:

2,800,000 shares of common stock issuable upon the conversion of 56,000 shares of Series C Preferred Stock issued in the financing we entered in November 2013, at a conversion price of \$2.00 per share. These shares were issued in January 2014;

67,476 shares of common stock issued to Asher on February 6, 2014 upon conversion of \$75 principal of a convertible promissory note dated July 29, 2013 plus accrued interest;

53,700 shares of common stock issued to Asher on February 7, 2014 upon conversion of the remaining principal of \$53.5 convertible promissory note dated July 29, 2013 plus accrued interest;

7,500,000 shares of common stock issuable upon the exercise of outstanding warrants issued in the financing we entered in November 2013, at an exercise price of \$2.60 per share; and

[\*] shares of our common stock issuable upon the exercise of warrants to be issued to the purchasers in this offering, at an exercise price of \$[\*] per share.

To the extent that any options or warrants are exercised, new options or other equity awards are issued under our equity incentive plan, or we otherwise issue additional shares of common stock in the future, there will be further dilution to new investors.

**SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER DATA**

The following summary financial information and data were derived from our audited consolidated financial statements for the years ended December 31, 2013, 2012, 2011, 2010 and 2009. The information is only a summary and should be read in conjunction with our historical consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” incorporated herein by reference. The historical data included below and elsewhere in this prospectus are not necessarily indicative of our future performance.

All amounts in the tables below are in thousands of U.S. dollars, except for share data, per share data and per diem amounts.

	Year Ended December 31,				
	2013	2012	2011	2010	2009
<b>Statement of Operations Data:</b>					
Operating revenues	\$6,074	\$14,260	\$29,538	\$57,650	\$57,533
Voyage expenses	(2,669 )	(2,835 )	(807 )	(1,887 )	(1,394 )
Commissions	(517 )	(874 )	(1,777 )	(3,357 )	(3,089 )
Vessel operating expenses	(10,865 )	(10,868 )	(14,563 )	(18,607 )	(17,813 )
Depreciation expense	(5,728 )	(5,729 )	(8,664 )	(15,365 )	(16,006 )
Amortization of deferred charges	(199 )	(988 )	(915 )	(1,888 )	(1,742 )
Management fees to a related party	(1,490 )	(2,404 )	(1,900 )	(1,978 )	(1,874 )
General and administrative expenses	(3,904 )	(4,443 )	(4,734 )	(4,494 )	(4,156 )
Provision and write-offs of insurance claims and bad debts	(1,215 )	(1,675 )	(133 )	(1,250 )	—
Gain on sale of vessel	—	—	1,561	807	—
Vessel impairment loss	(27,455 )	(12,480 )	(69,998 )	(26,631 )	—
Impairment of advances for vessels under construction	—	—	(11,717 )	—	—
Income / (loss) from operations	\$(47,968 )	\$(28,036 )	\$(84,109 )	\$(17,000 )	\$11,459
Interest and finance costs	(2,381 )	(2,583 )	(4,003 )	(4,375 )	(4,323 )
Loss on derivative instruments	(40 )	(85 )	(178 )	(465 )	(111 )
Loss on settlement of liability through stock issuance	(3,914 )	—	—	—	—
Gain on settlement of payable	1,149	—	—	—	—
Other income / (expense)	(5,184 )	(50 )	94	19	(166 )
Gain on debt extinguishment	9,633	—	—	—	—
Loss on debt extinguishment	—	(134 )	—	—	—
Net income / (loss)	\$(48,705 )	\$(30,888 )	\$(88,196 )	\$(21,821 )	\$6,859
Basic earnings / (loss) per share	\$(7.46 )	\$(184.48 )	\$(679.99 )	\$(172.81 )	\$67.34
Diluted earnings / (loss) per share	\$(7.46 )	\$(184.48 )	\$(679.99 )	\$(172.81 )	\$67.34
Basic weighted average number of shares	6,527,240	167,435	129,701	126,272	101,855
Diluted weighted average number of shares	6,527,240	167,435	129,701	126,272	101,855
Dividends per share	\$—	\$—	\$—	\$—	\$—



Balance Sheet Data:	Year Ended December 31 ,				
	2013	2012	2011	2010	2009
Current assets, including cash	\$ 15,798(E)	\$ 35,583 (G)	\$ 52,675 (A)	\$ 27,691 (B)	\$ 22,125
Vessels, net	71,834	75,690	81,419	213,691	270,701
Total assets	87,632	114,359	134,980	250,984	297,321
Total current liabilities, including current portion of long-term debt	74,839(H)	106,556(F)	99,861 (D)	29,819 (C)	29,488
Derivative financial instruments, net of current portion	—	—	—	538	684
Long-term debt, including shareholder loans net of current portion	—	—	—	97,437	122,559
Total liabilities	74,839	106,556	99,861	127,794	152,869
Total shareholders' equity	12,793	7,803	35,119	123,190	144,452

(A) Includes vessels held for sale in the amount of \$45,272.

(B) Includes a vessel held for sale in the amount of \$13,606.

(C) Includes the estimated loan prepayment amount of \$8,760 relating to the vessel held for sale.

(D) Includes the amounts of long-term debt and interest rate swaps amounting to \$88,946 and \$760, respectively, classified as current at December 31, 2011.

(E) Includes vessel held for sale in the amount of \$3,465.

(F) Includes the amounts of long-term debt and interest rate swaps amounting to \$89,169 and \$2,446, respectively, classified as current at December 31, 2012.

(G) Includes vessels held for sale in the amount of \$32,792.

(H) Includes the amounts of long-term debt and interest rate swaps amounting to \$59,687 and \$200, respectively, classified as current as of December 31, 2013.

	Year Ended December 31 ,				
	2013	2012	2011	2010	2009
Other Financial Data:					
Net cash provided by (used in) operating activities	\$(3,978 )	\$(2,025)	\$4,470	\$20,802	\$21,391
Net cash provided by (used in) investing activities	—	—	18,422	(2,819 )	(11,302)
Net cash provided by (used in) financing activities	11,530	1,723	(26,255)	(20,630)	(7,126 )

	Year Ended December 31 ,									
	2013		2012		2011		2010		2009	
Performance Indicators:										
Adjusted EBITDA(1)	\$ (18,513)		\$ (7,092)		\$ 5,833		\$ 26,834		\$ 30,337	
Fleet Data:										
Average number of vessels(2)	7.00		7.02		8.21		9.65		9.35	
Ownership days(3)	2,555		2,562		2,998		3,523		3,414	
Available days(4)	1,068		2,529		2,960		3,430		3,373	
Operating days(5)	887		2,337		2,865		3,329		3,294	
Fleet utilization(6)	83.1 %		92.4 %		97 %		97 %		98 %	
Average Daily Results:										
Average TCE rate(7)	\$3,256		\$4,515		\$9,408		\$15,742		\$16,105	
Vessel operating expenses(8)	4,252		4,242		4,858		5,282		5,218	
Management fees(9)	583		726		634		561		549	
General and administrative expenses(10)	1,528		1,494		1,538		1,117		1,073	
Total vessel operating expenses(11)	4,835		4,968		5,491		5,843		5,767	

(1) Adjusted EBITDA represents net earnings before taxes, depreciation and amortization, amortization of deferred revenue, back log asset, (gain)/loss on derivative instruments, stock-based compensation expense, vessel impairment loss, impairment of advances for vessels under construction, interest and finance cost net, loss on debt extinguishment, provision and write-offs of insurance claims and bad debts, (gain)/loss on sale of vessel, gain on settlement of payable, loss on settlement of liability through stock issuance and gain on debt extinguishment. Under the laws of the Marshall Islands, we are not subject to tax on international shipping income. However, we are subject to registration and tonnage taxes, which have been included in vessel operating expenses. Accordingly, no adjustment for taxes has been made for purposes of calculating Adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure and does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by U.S. GAAP, and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies. The shipping industry is capital intensive and may involve significant financing costs. FreeSeas uses Adjusted EBITDA because it presents useful information to management regarding FreeSeas' ability to service and/or incur indebtedness by excluding items that it does not believe are indicative of its core operating performance, and therefore is an alternative measure of its performance. FreeSeas

also believes that Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. Adjusted EBITDA has limitations as an analytical tool, however, and should not be considered in isolation or as a substitute for analysis of FreeSeas' results as reported under U.S. GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such capital expenditures.

	Year Ended December 31 ,				
	2013	2012	2011	2010	2009
Net income (loss)	\$(48,705)	\$(30,888)	\$(88,196)	\$(21,821)	\$6,859
Depreciation and amortization	5,927	6,717	9,579	17,253	17,748
Amortization of deferred revenue	—	—	(136 )	(1,034 )	(81 )
Back log asset	—	—	—	—	907
Stock-based compensation expense	42	122	122	559	494
Vessel impairment loss	27,455	12,480	69,998	26,631	—
Impairment of advances for vessels under construction	—	—	11,717	—	—
(Gain) / Loss on derivative instruments	40	85	178	465	111
Interest and finance cost, net of interest income	2,381	2,583	3,999	4,338	4,299
(Gain) on sale of vessel	—	—	(1,561 )	(807 )	—
Provision and write-offs of insurance claims and bad debts	1,215	1,675	133	1,250	—
Loss on debt extinguishment	—	134	—	—	—
Gain on settlement of payable	(1,149 )	—	—	—	—
Loss on settlement of liability through stock issuance	3,914	—	—	—	—
Gain on debt extinguishment	(9,633 )	—	—	—	—
Adjusted EBITDA	\$ (18,513 )	\$ (7,092 )	\$ 5,833	\$ 26,834	\$ 30,337

Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured (2) by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in the period.

Ownership days are the total number of days in a period during which the vessels in our fleet have been owned by (3) us, including days of vessels in lay-up. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

Available days are the number of ownership days less the aggregate number of days that our vessels are off-hire (4) due to major repairs, dry-dockings or special or intermediate surveys or days of vessels in lay-up. The shipping industry uses available days to measure the number of ownership days in a period during which vessels should be capable of generating revenues.

Operating days are the number of available days less the aggregate number of days that our vessels are off-hire due (5) to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels could actually generate revenues.

We calculate fleet utilization by dividing the number of our fleet's operating days during a period by the number of (6) available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in properly operating its vessels and minimizing the amount of days that its vessels are off-hire for any unforeseen reasons.

(7) Time charter equivalent, or TCE, is a non-GAAP measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing operating revenues (net of voyage expenses and commissions) by operating days for the relevant period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract. TCE is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e. spot charters, time charters and bareboat charters) under which the vessels may be

employed between the periods:

	Year Ended December 31 ,				
	2013	2012	2011	2010	2009
Operating revenues	\$6,074	\$14,260	\$29,538	\$57,650	\$57,533
Voyage expenses and commissions	(3,186)	(3,709)	(2,584)	(5,244)	(4,483)
Net operating revenues	\$2,888	\$10,551	\$26,954	\$52,406	\$53,050
Operating days	887	2,337	2,865	3,329	3,329
Time charter equivalent daily rate	\$3,256	\$4,515	\$9,408	\$15,742	\$16,105

Average daily vessel operating expenses, which includes crew costs, provisions, deck and engine stores, lubricating (8)oil, insurance, maintenance and repairs, is calculated by dividing vessel operating expenses by ownership days for the relevant time periods:

	Year Ended December 31 ,				
	2013	2012	2011	2010	2009
Vessel operating expenses	\$10,865	\$10,868	\$14,563	\$18,607	\$17,813
Ownership days	2,555	2,562	2,998	3,523	3,414
Daily vessel operating expenses	\$4,252	\$4,242	\$4,858	\$5,282	\$5,218

Daily management fees are calculated by dividing total management fees (excluding stock-based compensation (9) expense and gain on shares issued to the Manager) paid on ships owned by ownership days for the relevant time period.

Average daily general and administrative expenses are calculated by dividing general and administrative expenses (10) (excluding stock-based compensation expense and gain on shares issued to the Manager) by ownership days for the relevant period.

Total vessel operating expenses, or TVOE, is a measurement of our total expenses associated with operating our (11) vessels. TVOE is the sum of vessel operating expense and management fees. Daily TVOE is calculated by dividing TVOE by fleet ownership days for the relevant time period.

## **OTHER INFORMATION ABOUT THE COMPANY**

Additional information regarding our business, assets, loan facilities, legal proceedings, our results of operations, liquidity and capital resources, quantitative and qualitative disclosures about market risk, our directors and executive officers, compensation of management and our directors, security ownership of certain beneficial owners and management, and certain relationships and related transactions, as well as our consolidated financial statements at December 31, 2013, 2012 and 2011 and for the years then ended are incorporated in this prospectus by reference to our Annual Report on Form 20-F for the fiscal year ended December 31, 2013 filed on March 24, 2014. Please see "Incorporation of Certain Information by Reference," below.

Except as set forth herein, there have been no material changes in our affairs that have occurred since December 31, 2013 that have not been described in our Form 20-F or in a Form 6-K filed under the Exchange Act.

## **DESCRIPTION OF CAPITAL STOCK**

We have summarized below the material features of our capital stock. This summary is not a complete discussion of our organizational documents and other instruments that create the rights of our shareholders. We urge you to carefully read those documents and instruments. Please see “Where You Can Find Additional Information” for information on how to obtain copies of those documents and instruments.

Our authorized capital stock consists of 250,000,000 shares of common stock, par value, \$.001 per share, and 5,000,000 shares of blank check preferred stock, par value, \$.001 per share, of which no shares are outstanding. All of our shares of stock must be in registered form.

### **Common Stock**

As of April 4, 2014, 25,675,044 shares of common stock were outstanding out of 250,000,000 shares authorized to be issued.

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to shares of preferred stock that may be issued in the future, holders of shares of common stock are entitled to receive dividends, if any, declared by our Board of Directors out of funds legally available for dividends. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. All outstanding shares of common stock are fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any shares of preferred stock that FreeSeas may issue in the future.

### **Preferred Stock**

As of the date of this prospectus, we are authorized to issue up to 5,000,000 shares of “blank check” preferred stock. Our Board of Directors can determine the rights, designations and preferences of the preferred stock, and authorize the issuance of shares of preferred stock without any further vote or action by our shareholders.

We have entered into a shareholders rights agreement with American Stock Transfer & Trust Company, LLC effective January 14, 2009 and declared a dividend of one purchase right, or a Right, to purchase one one-thousandth of a share

of our Series A Participating Preferred Stock, par value \$0.001 per share, for each outstanding share of our common stock. The dividend was paid on January 23, 2009 to our shareholders of record on that date. In addition, we authorized the issuance of one Right in respect of each share of common stock that shall become outstanding at any time between January 23, 2009 and the earliest of the “distribution date,” the “redemption date” or the “final expiration date,” as such terms are defined in the shareholders rights agreement, including shares of common stock that become outstanding upon the exercise or conversion of options, warrants or convertible securities as long as they are outstanding on the “distribution date.” Each Right entitles the registered holder, upon the occurrence of certain events, to purchase from us one one-thousandth of a share of Preferred Stock at an exercise price of \$90.00, subject to adjustment. The Rights become exercisable under certain circumstances set forth in the shareholders rights agreement.

### ***Series D Convertible Preferred Stock***

*The convertible preferred stock we are offering will be issued pursuant to a securities purchase agreement between each of the investors and us. We urge you to review the form of securities purchase agreement and certificate of designation authorizing the convertible preferred stock, which will be filed as exhibits to the registration statement of which this prospectus forms a part, for a complete description of the terms and conditions applicable to the convertible preferred stock. The following brief summary of the material terms and provisions of the convertible preferred stock is subject to, and qualified in its entirety by, the certificate of designation authorizing the convertible preferred stock. This prospectus also relates to the offering of the shares of our common stock upon the conversion of the convertible preferred stock issued to the investors in this offering.*

We are authorized to issue [\*] shares of Series D Convertible Preferred Stock, par value \$0.001 per share, pursuant to the Certificate of Designation of Preferences, Rights and Limitations of Series D Convertible Preferred Stock we will file with the Registrar of Corporations of the Republic of the Marshall Islands. This certificate of designation will be authorized by our board of directors without approval by our stockholders pursuant to the authority vested in the board of directors under our articles of incorporation.

The Series D Convertible Preferred Stock will be convertible at the option of the holder at any time into shares of our common stock at a conversion ratio determined by dividing the stated value of the convertible preferred stock, or \$1,000, by a conversion price of \$[\*] per share. The conversion price is subject to adjustment in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions. The Series D Convertible Preferred Stock will also contain customary weighted-average anti-dilution protection for one year after issuance. Subject to limited exceptions, a holder of shares of Series D Convertible Preferred Stock will not have the right to convert any portion of its Series D Convertible Preferred Stock if the holder, together with its affiliates, would beneficially own in excess of 9.9% of the number of shares of our common stock outstanding immediately after giving effect to its conversion.

The Series D Convertible Preferred Stock is entitled to receive dividends (on an “as converted to common stock” basis) to and in the same form as dividends actually paid on shares of our common stock.





Except as required by law, holders of our Series D Convertible Preferred Stock are not entitled to voting rights, except that the affirmative vote of the holders of 67% of the outstanding shares of convertible preferred stock is required to take certain actions that may adversely affect the rights or preferences of the holders of convertible preferred stock, including authorizing any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation, dissolution or winding up of our company senior to, or otherwise pari passu with, the Series D Convertible Preferred Stock and increasing the number of authorized shares of Series D Convertible Preferred Stock.

The securities purchase agreement pursuant to which the Series D Convertible Preferred Stock will be issued prohibits us from issuing any shares of our common stock or any equity or debt securities convertible into our common stock for a period of 90 days after the closing of this offering.

We do not intend to list our Series D Convertible Preferred Stock on any securities exchange or automated quotation system.

## **Other Securities**

### ***Warrants***

On November 3, 2013, in connection with the Purchase Agreement with Crede, we issued Series A Warrants and Series B Warrants. The Series A Warrants are initially exercisable for 5,000,000 shares of our Common Stock at an initial exercise price of \$2.60 per share and will have a 5-year term. The Series B Warrants are initially exercisable for 2,500,000 shares of our Common Stock at an initial exercise price of \$2.60 per share and will expire on the one year anniversary of the Initial Closing.

Crede may exercise the Warrants by paying cash or electing to receive a cash payment from us equal to the Black Scholes value of the number of shares Crede elects to exercise. We may elect to treat such request for a cash payment as a cashless exercise of the Warrants so long as (i) we are in compliance in all material respects with our obligations under the transaction documents, (ii) the Registration Statement is effective and (iii) our Common Stock is listed or designated for quotation on an eligible market. In the event that our Common Stock trades at or above \$3.25 for a period of 20 consecutive trading days, the average daily dollar volume of our Common Stock equals at least \$1 million during such period and various equity conditions are also satisfied during such period, we may, at our election, require Crede to exercise the Warrants for cash.

The exercisability of the Warrants may be limited if, upon exercise, the holder thereof or any of its affiliates would beneficially own more than 9.9% of our Common Stock. The Warrants contain customary weighted-average anti-dilution protection.

***Employee Options***

None.

**Other Matters**

***Our Amended and Restated Articles of Incorporation and By-Laws***

Our purpose, as stated in section 3.B. of our amended and restated articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act, or BCA. Our amended and restated articles of incorporation and by-laws do not impose any limitations on the ownership rights of our shareholders.

Under our by-laws, annual shareholders' meetings will be held at a time and place selected by our Board of Directors. The meetings may be held in or outside of the Republic of the Marshall Islands. Special meetings may be called by the Board of Directors, by our Chairman or by our President. Our Board of Directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

***Directors***

Our directors are elected by a plurality of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote in the election. There is no provision for cumulative voting. The Board of Directors has the authority to fix the amounts that shall be payable to the members of our Board of Directors for attendance at any meeting or for services rendered to us. Our by-laws provide, generally, that the vote to authorize a transaction by a director who has a financial interest in such transaction, or is an officer or director of the opposite party to the transaction, will be counted if, the material facts of the relationship or interest have been disclosed, and the transaction is approved by the appropriate number of our disinterested directors or by our shareholders.



## **Anti-Takeover Provisions of Amended and Restated Articles of Incorporation and By-Laws**

Several provisions of our amended and restated articles of incorporation and by-laws and our shareholder rights plan may have anti-takeover effects. These are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control, and enhance the ability of our Board of Directors to maximize shareholder value in connection with any unsolicited offer to acquire FreeSeas. These anti-takeover provisions, however, could also discourage, delay or prevent (1) the merger or acquisition of FreeSeas by means of a tender offer, a proxy contest or otherwise, that a shareholder may consider in its best interest and (2) the removal of incumbent directors and officers. These provisions are summarized below.

### ***Blank Check Preferred Stock***

Our Board of Directors has the authority, without any further vote or action by our shareholders, to issue up to 5,000,000 shares of blank check preferred stock. Our Board of Directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of FreeSeas or the removal of our management.

### ***Classified Board of Directors***

Our directors serve staggered, three-year terms. Approximately one-third of our directors are elected each year. The classification of the directors could discourage a third party from making a tender offer for our stock or attempting to obtain control of FreeSeas. It could also delay shareholders who do not agree with the policies of the Board of Directors from removing a majority of the Board of Directors for two years.

### ***Supermajority Director Voting Requirement to Change Number of Directors***

Our Board of Directors may only change the size of the board by a vote of not less than 66-2/3% of the directors then in office. This provision makes it more difficult to increase the number of directors in an attempt to gain a majority of directors through the addition of more directors.

### ***Election and Removal of Directors***

Cumulative voting in the election of directors is not permitted. Our amended and restated by-laws require parties other than the Board of Directors to give advance written notice of nominations for the election of directors. Our amended and restated articles of incorporation provide that directors may be removed only for cause and only upon the affirmative vote of either the holders of at least 66-2/3% of our issued and outstanding voting stock or by our Board of Directors. They also require advance written notice of any proposals by shareholders to remove a director. These provisions may discourage, delay or prevent the removal of incumbent directors and/or officers.

#### ***Limited Actions by Shareholders***

The BCA provides that any action required or permitted to be taken by our shareholders must be done at an annual meeting or special meeting of shareholders or by the unanimous written consent of the shareholders. Our by-laws provide that only our Board of Directors, the Chairman or the President may call special meetings of shareholders. The BCA provides that the business that can be transacted at a special meeting of shareholders must be related to the purpose or purposes stated in the notice of the meeting.

#### ***Other Supermajority Voting Requirements***

Our shareholders can make, alter, amend or repeal our by-laws only upon the affirmative vote of 66-2/3% of the outstanding shares of capital stock entitled to vote generally in the election of directors. The provisions of our amended and restated articles of incorporation with respect to directors and our by-laws can only be amended by the affirmative vote of 66-2/3% of the outstanding shares of capital stock entitled to vote generally in the election of directors. Such supermajority voting requirements make these provisions more difficult to change and thus may discourage, delay or prevent the removal of incumbent directors and/or officers.

#### ***Shareholder Rights Plan***

We have implemented a shareholder rights plan pursuant to which the holders of our common stock receive one right to purchase one one-thousandth of a share of our Series A Participating Preferred Stock at an exercise price of \$90.00, subject to adjustment. The rights become exercisable upon the occurrence of certain change in control events. These anti-takeover provisions and our shareholder rights plan could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

#### ***Our Transfer Agent***

The transfer agent for our common stock is American Stock Transfer & Trust Company, LLC.

### **Limitations on Liability and Indemnification of Directors and Officers**

Our Amended and Restated By-Laws provide that any person who is or was one of our directors or officers, or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be entitled to be indemnified by us upon the same terms, under the same conditions, and to the same extent as authorized by Section 60 of the Business Corporations Act (Part I of the Associations Law) of the Republic of the Marshall Islands, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

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

### **DESCRIPTION OF WARRANTS**

*The warrants we are offering will be issued pursuant to a securities purchase agreement between each of the investors and us. We urge you to review the form of securities purchase agreement and warrant, which will be filed as exhibits to the registration statement of which this prospectus forms a part, for a complete description of the terms and conditions applicable to the warrants. The following brief summary of the material terms and provisions of the warrants is subject to, and qualified in its entirety by, the form of warrant. This prospectus also relates to the offering of the shares of our common stock upon the exercise, if any, of the warrants issued to the investors in this offering.*

The warrants will have an exercise price of \$[\*] per share of our common stock and will be exercisable at the option of the holder immediately after issuance through and including the date that is the fifth year anniversary of the initial exercise date. Subject to limited exceptions, a warrant holder will not have the right to exercise any portion of the warrant if the holder, together with its affiliates, would beneficially own in excess of 9.9% of the number of shares of our common stock outstanding immediately after the exercise.

The exercise price of the warrants, and in some cases the number of shares issuable upon exercise of the warrants, will be subject to adjustment in the event of stock splits, stock dividends, combinations and similar events affecting our common stock. The warrants will also contain customary weighted-average anti-dilution protection for two years after issuance.



The warrant holders must surrender payment in cash of the aggregate exercise price of the shares being acquired upon exercise of the warrants. If, however, we are unable to offer and sell the shares underlying these warrants pursuant to this prospectus due to the ineffectiveness of the registration statement of which this prospectus is a part, then the warrants may only be exercised on a “net” or “cashless” basis. No fractional shares of common stock are to be issued upon the exercise of the warrant, but rather the number of shares of common stock to be issued shall be rounded up to the nearest whole number.

The warrants do not entitle the holders thereof to any voting rights, dividends or other rights as a stockholder of ours prior to the exercise of the warrants.

We do not intend to list the warrants on any securities exchange or automated quotation system.

## **PLAN OF DISTRIBUTION**

This is a self-underwritten offering. This prospectus is part of a registration statement that permits our officers and directors to sell the securities directly to the public, with no commission or other remuneration payable to any of them for any securities that are sold by them. We may also engage registered broker-dealers to offer and sell the securities. We may pay any such registered persons who make such sales a commission of up to \_\_\_% of the sale price of securities sold, and provide the registered persons a non-accountable expense allowance of up to 3% of the sale price of securities sold. However, we have not entered into any underwriting agreement, arrangement or understanding for the sale of the securities being offered. In the event we retain a broker who may be deemed an underwriter, we will file a post-effective amendment to this registration statement with the Securities and Exchange Commission. This offering is intended to be made solely by the delivery of this prospectus and the accompanying subscription agreement to prospective investors. We may terminate this offering prior to the expiration date. Our officers and directors will sell the securities and intend to offer them to friends, family members and business acquaintances. In offering the securities on our behalf, our directors and officers will rely on the safe harbor from broker dealer registration set out in Rule 3a4-1 under the Securities Exchange Act of 1934.

Rule 3a4-1 sets forth those conditions under which a person associated with an issuer may participate in the offering of the issuer’s securities and not be deemed to be a broker-dealer. Those conditions are as follows:

- a. Our officers and directors are not subject to a statutory disqualification, as that term is defined in Section 3(a)(39) of the Act, at the time of their participation;
- b. Our officers and directors will not be compensated in connection with their participation by the payment of commissions or other remuneration based either directly or indirectly on transactions in securities; and



c. Our officers and directors are not, nor will they be at the time of their participation in the offering, an associated person of a broker-dealer; and

d. Our officers and directors meet the conditions of paragraph (a)(4)(ii) of Rule 3a4-1 of the Exchange Act, in that they (A) primarily perform, or intend primarily to perform at the end of the offering, substantial duties for or on behalf of our Company, other than in connection with transactions in securities; and (B) are not a broker or dealer, or been associated person of a broker or dealer, within the preceding twelve months; and (C) have not participated in selling and offering securities for any Issuer more than once every twelve months other than in reliance on Paragraphs (a)(4)(i) and (a)(4)(iii).

Our officers, directors, control persons and affiliates of same do not intend to purchase any securities in this offering.

There is no requirement that any minimum amount of securities or dollar amount of securities be sold in this offering and there can be no assurance that we will sell all or any of the securities being offered.

Closings of this offering can take place in one or more closings after the effective date of the registration statement that this prospectus is a part of until 180 dates thereafter. On each closing date, the following will occur:

- we will receive funds in the amount of the aggregate purchase price of the securities being sold by us, less any fees we may pay; and

- we will deliver, or cause to be delivered, the shares of convertible preferred stock and the warrants being sold.

The purchase price per preferred share, the effective acquisition price of the common stock underlying the convertible preferred stock, the dividend and other payments due the convertible preferred stock and the exercise price of the warrants were determined by the Company.

The transfer agent for our common stock is American Stock Transfer & Trust Company. We will act as transfer agent for the convertible preferred stock and warrants being offered hereby.

Our common stock is traded on the NASDAQ Capital Market under the symbol "FREE". The convertible preferred stock and the warrants being offered hereby are not expected to be eligible for trading on any market.

**MARSHALL ISLANDS COMPANY CONSIDERATIONS**

Our corporate affairs are governed by our amended and restated articles of incorporation and amended and restated by-laws and by the Business Corporations Act of the Republic of the Marshall Islands, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. For example, the BCA allows the adoption of various anti-takeover measures such as shareholder “rights” plans. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as U.S. courts. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction that has developed a substantial body of case law. The following table provides a comparison between the statutory provisions of the BCA and the Delaware General Corporation Law relating to shareholders’ rights.

**Marshall Islands**

**Shareholders’ Meetings**

·Held at a time and place as designated in the by-laws

Special meeting of the shareholders may be called by the  
 ·board of directors or by such person or persons as may be authorized by the articles of incorporation or bylaws

·May be held within or outside the Marshall Islands

**Delaware**

May be held at such time or place as designated in the  
 ·certificate of incorporation or bylaws, or if not so designated, as determined by the board of directors

Special meeting of the shareholders may be called by the  
 ·board of directors or by such person or persons as may be authorized by the articles of incorporation or bylaws

·May be held within or outside Delaware

·Notice: ·Notice:

Whenever shareholders are required to take action at a meeting, written notice shall state the place, date and hour of the meeting and, unless it is the annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called

A copy of the notice of any meeting shall be given personally or sent by mail not less than 15 nor more than 60 days before the meeting

Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any

Written notice shall be given not less than 10 nor more than 60 days before the date of the meeting

### Shareholders' Voting Rights

Any action required to be taken by meeting of shareholders may be taken without meeting if consent is in writing and is signed by all the shareholders entitled to vote

Any action required to be taken at a meeting of shareholders may be taken without a meeting if a consent for such action is in writing and is signed by shareholders having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted

Any person authorized to vote may authorize another person to act for him by proxy

Any person authorized to vote may authorize another person or persons to act for him by proxy

Unless otherwise provided in the articles of incorporation, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one third of the shares entitled to vote at a meeting

For stock corporations, certificate of incorporation or bylaws may specify the number of members necessary to constitute a quorum but in no event shall a quorum consist of less than one-third of the shares entitled to vote at the meeting. In the absence of such specifications, a majority of shares entitled to vote at the meeting shall constitute a quorum

Once a quorum is present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders

Once a quorum is present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders

The articles of incorporation may provide for cumulative voting in the election of directors

The certificate of incorporation may provide for cumulative voting

Any two or more domestic corporations may merge into a single corporation if approved by the board and if authorized by a majority vote of the holders of outstanding shares at a stockholder meeting

Any two or more corporations existing under the laws of state may merge into a single corporation pursuant to a board resolution and upon the majority vote by stockholders of each constituent corporation at an annual or special meeting

Any sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the corporation's usual or regular course of business, once approved by the board, shall be authorized by the affirmative vote of two-thirds of the shares of those entitled to vote at a shareholder meeting

Every corporation may at any meeting of the board sell, lease or exchange all or substantially all of its property and assets as its board deems expedient and for the best interests of the corporation when so authorized by a resolution adopted by the holders of a majority of the outstanding stock of a corporation entitled to vote

Any domestic corporation owning at least 90% of the outstanding shares of each class of another domestic corporation may merge such other corporation into itself without the authorization of the shareholders of any corporation

Any corporation owning at least 90% of the outstanding shares of each class of another corporation may merge the other corporation into itself and assume all of its obligations without the vote or consent of stockholders; however, in case the parent corporation is not the surviving corporation, the proposed merger shall be approved by a majority of the outstanding stock of the parent corporation entitled to vote at a duly called stockholder meeting

Any mortgage, pledge of or creation of a security interest in all or any part of the corporate property may be authorized without the vote or consent of the shareholders, unless otherwise provided for in the articles of incorporation or approval of the shareholders is required pursuant to the BCA

Any mortgage or pledge of a corporation's property and assets may be authorized without vote or consent of stockholders, except to the extent that the certificate of incorporation otherwise provides

## Directors

The board must consist of at least one member

The board must consist of at least one member

The number of members can be changed by an amendment to the by-laws, by the shareholders, or by action of the board under the specific provisions of a bylaw

The number of board members shall be fixed by, or in a manner provided by, the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by an amendment to the certificate of incorporation

If the board is authorized to change the number of directors, it can only do so by majority of the entire board and so long as no decrease in the number shall shorten the term of any incumbent director

If the number of directors is fixed by the certificate of incorporation, a change in the number shall be made only by an amendment of the certificate

Any or all of the directors may be removed for cause by vote of the shareholders

Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote unless the certificate of incorporation otherwise provides

If the articles of incorporation or the by-laws so provide, any or all of the directors may be removed without cause by vote of the shareholders

In the case of a classified board, stockholders may effect removal of any or all directors only for cause

### Dissenter's Rights of Appraisal

With limited exceptions, including for the shares of any class or series of stock listed on a securities exchange or admitted for trading on an interdealer quotation system, shareholders have a right to dissent from a merger or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their shares

With limited exceptions, including a merger or consolidation of corporations whose stock is listed on a national securities exchange, in which listed stock is the offered consideration, appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation

A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:

N/A

o Alters or abolishes any preferential right of any outstanding shares having preference; or

o Creates, alters or abolishes any provision or right in respect to the redemption of any outstanding shares; or

O Alters or abolishes any preemptive right of such holder to acquire shares or other securities; or

O

Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class

### **Shareholder's Derivative Actions**

An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or of voting trust certificates or of a beneficial interest in such shares or certificates. It shall be made to appear that the plaintiff is such a holder at the time of the transaction of which he complains, or that has shares or his interest therein devolved upon him by operation of law

A complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort

In any derivative suit instituted by a stockholder of a corporation, it shall be averred in the complaint that the plaintiff was a stockholder of the corporation at the time of the transaction of which he complains or such stockholder's stock must have thereafter devolved upon such stockholder by operation of law

Other requirements regarding derivative suits have been created by judicial decision, including that a stockholder may not bring a derivative suit unless he or she first demands that the corporation sue on its own behalf and that demand is refused (unless it is shown that such demand would have been futile)



Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands	· N/A
Reasonable expenses including attorney's fees may be awarded if the action is successful	Reasonable expenses including attorney's fees may be awarded if the action is successful
A corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of stock and shares have a value of less than \$50,000	· N/A

## TAXATION

The following is a discussion of the material Marshall Islands and United States federal income tax consequences relevant to a U.S. Holder, as defined below, of our common stock. This discussion does not purport to deal with the tax consequences of owning common stock to all categories of investors, some of which, such as dealers in securities, investors whose functional currency is not the United States dollar, and investors that own, actually or under applicable constructive ownership rules, 10% or more of the voting power of our stock, may be subject to special rules. This discussion deals only with U.S. Holders that hold the common stock as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under United States federal, state, local or foreign law of the ownership of common stock. **The discussion is not intended, and should not be construed, as legal or professional tax advice and does not exhaust all possible tax considerations.**

### Marshall Islands Tax Consequences

We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our stockholders provided such stockholders are not residents of the Marshall Islands. Holders of our common stock who are not residents of, domiciled in, or carrying on any commercial activity in the Marshall Islands will not be subject to Marshall Islands tax on the sale or other disposition of our common stock.

### United States Federal Income Tax Consequences

The following are the material United States federal income tax consequences to us of our activities and to U.S. Holders and Non-U.S. Holders, each as defined below, of the ownership and disposition of our common stock. The following discussion of United States federal income tax matters is based on the United States Internal Revenue Code

of 1986, as amended, or the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the United States Department of the Treasury, all of which are subject to change, possibly with retroactive effect. This discussion below is based, in part, upon Treasury Regulations promulgated under Section 883 of the Code, and in part, on the description of our business as described in “About Our Company” above and assumes that we conduct our business as described in that section.

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF OUR COMMON STOCK ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

#### **Taxation of Operating Income: In General**

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a shipping pool, partnership, strategic alliance, joint operating agreement, code sharing arrangements or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as “shipping income,” to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, constitutes income from sources within the United States, which we refer to as “U.S.-Source Gross Transportation Income” or “USSGTI.”

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. U.S. law prohibits us from engaging in transportation that produces income considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

In the absence of exemption from tax under Section 883, our USSGTI would be subject to a 4% tax imposed without allowance for deductions as described below.

we are organized in a foreign country (our “country of organization”) that grants an “equivalent exemption” to corporations organized in the United States;

we satisfy one of the following ownership tests (discussed in more detail below): (1) more than 50% of the value of our stock is owned, directly or indirectly, by “qualified shareholders,” which includes persons (i) who are “residents” of our country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the United States, and (ii) who comply with certain documentation requirements, which we refer to as the “Qualified Shareholder Ownership Test,” or (2) our stock is primarily and regularly traded on one or more established securities markets in our country of organization, in another country that grants an “equivalent exemption” to United States corporations, or in the United States, which we refer to as the “Publicly-Traded Test;” and we are not considered “closely held,” which we refer to as the “Closely-Held Test;” and

we meet certain substantiation, reporting and other requirements.

### **Exemption of Operating Income from United States Federal Income Taxation**

Under Section 883 of the Code, we will be exempt from United States federal income taxation on our U.S.-source shipping income if:

The Republic of the Marshall Islands, the jurisdiction where we and our ship-owning subsidiaries are incorporated, grants “equivalent exemptions” to United States corporations. Therefore, we should meet the first requirement for the Section 883 exemption. Additionally, we intend to comply with the substantiation, reporting and other requirements that are applicable under Section 883 of the Code. As a result, qualification for the Section 883 exemption will turn primarily on our ability to satisfy the second requirement enumerated above.

Since the 2007 tax year, we have claimed the benefits of the Section 883 tax exemption for our ship-owning subsidiaries on the basis of the Publicly-Traded Test. For 2012 and subsequent tax years, we anticipate that we will need to satisfy the Publicly-Traded Test in order to qualify for benefits under Section 883. While we expect to satisfy the Publicly-Traded Test for such years, there can be no assurance in this regard. Our ability to satisfy the Publicly-Traded Test is discussed below.

The regulations provide, in pertinent part, that the stock of a foreign corporation will be considered to be “primarily traded” on an established securities market in a country if the number of shares of each class of stock that are traded during the tax year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. Our common stock, our sole class of our issued and outstanding stock, is “primarily traded” on the NASDAQ Capital Market.

Under the regulations, our stock will be considered to be “regularly traded” if one or more classes of our stock representing 50% or more of our outstanding shares, by total combined voting power of all classes of stock entitled to vote and by total combined value of all classes of stock, are listed on one or more established securities markets, which we refer to as the “listing threshold.” Our common stock, our sole class of issued and outstanding stock, is listed on the NASDAQ Capital Market, and accordingly, we will satisfy this listing requirement.

The regulations further require that with respect to each class of stock relied upon to meet the listing requirement: (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the tax year or 1/6 of the days in a short tax year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short tax year. We believe we will satisfy the trading frequency and trading volume tests. Even if this were not the case, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if, as we expect to be the case with our common stock, such class of stock is traded on an established market in the United States, and such class of stock is regularly quoted by dealers making a market in such stock. While we anticipate that we will satisfy the trading frequency and trading volume tests, satisfaction of these requirements is outside of our control and hence, no assurances can be provided that we will satisfy the Publicly-Traded Test each year.

In addition, even if the “primarily traded” and “regularly traded” portions of the Publicly-Traded Test described above are satisfied, the Closely-Held Test provides, in pertinent part, that a class of stock will not be considered to be “regularly traded” on an established securities market for any tax year in which 50% or more of the vote and value of the outstanding shares of such class of stock are owned, actually or constructively under specified stock attribution rules, on more than half the days during the tax year by persons who each own directly or indirectly 5% or more of the vote and value of such class of stock, who we refer to as “5% Shareholders.” For purposes of being able to determine our 5% Shareholders under the Closely-Held Test, the regulations permit us to rely on Schedule 13G and Schedule 13D filings with the Securities and Exchange Commission. The regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for purposes of the Closely-Held Test.

In the event the Closely-Held Test is triggered, the regulations provide that the Closely-Held Test will nevertheless not apply if we can establish that among the closely-held group of 5% Shareholders, sufficient shares are owned by our 5% Shareholders that are considered to be “qualified shareholders,” to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of the value of such class of stock for more than half of the days during the tax year, which we refer to as the exception to the Closely-Held Test. Establishing such qualification and ownership by our direct and indirect 5% Shareholders will depend on their meeting the requirements of one of the qualified shareholder tests set out under the regulations applicable to 5% Shareholders and compliance with certain ownership certification procedures by each intermediary or other person in the chain of ownership between us and such qualified 5% Shareholders. Further, the regulations require, and we must certify, that no person in the chain of qualified ownership of shares relied on by us to qualify for exemption holds those shares in bearer form.

The ability to avoid application of the Closely-Held Test will be outside our control, and, as a result, there can be no assurance regarding whether we will satisfy the Publicly Traded Test for any year. For this and other reasons, there can be no assurance that we or any of our subsidiaries will qualify for the benefits of Section 883 of the Code for any year.

### **Taxation in Absence of Exemption**

To the extent the benefits of Section 883 are unavailable, our USSGTI, to the extent not considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, otherwise referred to as the “4% Tax.” Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under the 4% gross basis tax regime.

To the extent the benefits of the Section 883 exemption are unavailable, and our USSGTI is considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, any such “effectively connected”

U.S.-source shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax currently imposed at rates of up to 35%. In addition, we may be subject to the 30% “branch profits” taxes on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of its U.S. trade or business.

Our U.S.-source shipping income would be considered “effectively connected” with the conduct of a U.S. trade or business only if:

We have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and

substantially all of our U.S.-source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We do not intend to have, or permit circumstances that would result in having any vessel operating to the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S.-source shipping income will be “effectively connected” with the conduct of a U.S. trade or business.

#### **United States Taxation of Gain on Sale of Vessels**

If we qualify for the Section 883 exemption, then gain from the sale of any vessel may be exempt from tax under Section 883. Even if such gain is not exempt from tax under Section 883, we will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, assuming that we are not, and have never been, engaged in a U.S. trade or business. Under certain circumstances, if we are so engaged, gain on the sale of vessels could be subject to U.S. federal income tax.

#### **United States Federal Income Taxation of U.S. Holders**

As used herein, the term “U.S. Holder” means a beneficial owner of common stock that is a United States citizen or resident, United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common stock, you are encouraged to consult your tax advisor.

*Distributions.* Subject to the discussion of passive foreign investment companies (or “PFICs”) below, any distributions made by us with respect to our common stock will generally be taxable as dividend income to the extent of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in his or her common stock on a dollar-for-dollar basis and thereafter as capital gain. Because we are not a United States corporation, U.S. Holders that are corporations will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. Dividends paid with respect to our common stock will generally be treated as passive category income or, in the case of certain types of U.S. Holders, general category income for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

For tax years beginning before January 1, 2013, dividends paid on our common stock to a U.S. Holder who is an individual, trust or estate, which we refer to as a “U.S. Individual Holder,” will generally be treated as “qualified dividend income” that is taxable to such a U.S. Individual Holder at preferential tax rates provided that (1) we are not a passive foreign investment company for the tax year during which the dividend is paid or the immediately preceding tax year (which we do not believe we are, have been or will be), (2) our common stock is readily tradable on an established securities market in the United States (such as the NASDAQ Capital Market), and (3) the U.S. Individual Holder has owned the common stock for more than 60 days in the 121-day period beginning 60 days before the date on which the common stock becomes ex-dividend. There is no assurance that any dividends paid on our common stock will be eligible for these preferential rates in the hands of a U.S. Individual Holder. Any distributions treated as dividends paid by us that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any “extraordinary dividend” generally, a dividend in an amount which is equal to or exceeds ten percent of a stockholder’s adjusted basis (or fair market value in certain circumstances) in a share of our stock paid by us. If we pay an “extraordinary dividend” on our stock that is treated as “qualified dividend income,” then any loss derived by a U.S. Individual Holder from the sale or exchange of such stock will be treated as long-term capital loss to the extent of such dividend.

*Sale, Exchange or Other Disposition of Common Stock.* Assuming we do not constitute a passive foreign investment company for any tax year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common stock in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder’s holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S.-source income or loss, as applicable, for U.S. foreign tax credit purposes. A U.S. Holder’s ability to deduct capital losses is subject to certain limitations.

*Passive Foreign Investment Company Status and Significant Tax Consequences.* Special United States federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company for United States federal income tax purposes. In general, we will be treated as a passive foreign investment



company with respect to a U.S. Holder if, for any tax year in which such holder held our common stock, either:

at least 75% of our gross income for such tax year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or

at least 50% of the average value of the assets held by the corporation during such tax year produce, or are held for the production of, passive income.

For purposes of determining whether we are a passive foreign investment company, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless we were treated under specific rules as deriving our rental income in the active conduct of a U.S. trade or business. We may own, directly or indirectly, interests in other entities that are passive foreign investment companies, or subsidiary PFICs. If we are a passive foreign investment company, each U.S. Holder will be treated as owning its pro rata share by value of the stock of any such subsidiary PFICs.

Based on our current operations and future projections, we do not believe that we are, nor do we expect to become, a passive foreign investment company with respect to any tax year. Although we are not relying upon an opinion of counsel on this issue, our belief is based principally on the position that, for purposes of determining whether we are a passive foreign investment company, the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities of our wholly owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether we are a passive foreign investment company. Internal Revenue Service pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes support this position. However, a recent case reviewing the deductibility of commissions by a foreign sales corporation decided that time charter income constituted rental income under the law. While the IRS asserted in such case that the time charter income should be considered services income, in the absence of any legal authority specifically relating to the statutory provisions governing PFICs and time charter income, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any tax year, we cannot assure you that the nature of our operations will not change in the future.

If we are determined to be a PFIC for any tax year (or portion thereof) that is included in the holding period of a U.S. Holder of our common stock, and the U.S. Holder did not make a timely qualified electing fund (“QEF”) election for our first tax year as a PFIC in which the U.S. Holder held (or was deemed to hold) common stock, as described below, such holder generally will be subject to special rules with respect to:

- any gain recognized by the U.S. Holder on the sale or other disposition of its common stock; and

- any “excess distribution” made to the U.S. Holder (generally, any distributions to such U.S. Holder during a tax year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the common stock during the three preceding tax years of such U.S. Holder or, if shorter, such U.S. Holder’s holding period for the common stock).

Under these rules,

- the U.S. Holder’s gain or excess distribution will be allocated ratably over the U.S. Holder’s holding period for the common stock;

- the amount allocated to the U.S. Holder’s current tax year and any tax years in the U.S. Holder’s holding period before the first day of our first tax year in which we are a PFIC, will be taxable as ordinary income;

- the amount allocated to other tax years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and

- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other tax year of the U.S. Holder.

In general, if we are determined to be a PFIC, a U.S. Holder will avoid the PFIC tax consequences described above in respect to our common stock by making a timely QEF election to include in income its pro rata share of our net capital gains (as long-term capital gain) and other earnings and profits (as ordinary income), on a current basis, in each case whether or not distributed, in the tax year of the U.S. Holder in which or with which our tax year ends. A U.S. Holder may make a separate election to defer the payment of taxes on undistributed income inclusions under the QEF rules, but if deferred, any such taxes will be subject to an interest charge.

Although a determination as to our PFIC status will be made annually, an initial determination that our company is a PFIC will generally apply for subsequent years to a U.S. Holder who held our common stock while we were a PFIC, whether or not we meet the test for PFIC status in those subsequent years. A U.S. Holder who makes the QEF election

discussed above for our first tax year as a PFIC in which the U.S. Holder owns (or is deemed to own) our common stock, however, will not be subject to the PFIC tax and interest charge rules discussed above in respect to such shares. In addition, such U.S. Holder will not be subject to the QEF inclusion regime with respect to such shares for any tax year of ours that ends within or with a tax year of the U.S. Holder and in which we are not a PFIC. On the other hand, if the QEF election is not effective for each of our tax years in which we are a PFIC, and the U.S. Holder owns (or is deemed to hold) our common stock, the PFIC rules discussed below will continue to apply to such shares unless the holder makes a purging election, as described below, and pays the tax and interest charge with respect to the gain inherent in such shares attributable to the pre-QEF election period.

If a U.S. Holder has made a QEF election with respect to our common stock, and the special tax and interest charge rules do not apply to such shares (because of a timely QEF election for our first tax year as a PFIC in which the U.S. Holder owns (or is deemed to own) such shares or a purge of the PFIC taint pursuant to a purging election, as described below), any gain recognized on the sale of our common stock generally will be taxable as capital gain, and no interest charge will be imposed. As discussed above, U.S. Holders of a QEF are currently taxed on their pro rata shares of its earnings and profits, whether or not distributed. In such case, a subsequent distribution of such earnings and profits that were previously included in income generally should not be taxable as a dividend to such U.S. Holders. The tax basis of a U.S. Holder's shares in a QEF will be increased by amounts that are included in income, and decreased by amounts distributed but not taxed as dividends, under the above rules. Similar basis adjustments apply to property if by reason of holding such property the U.S. Holder is treated under the applicable attribution rules as owning shares in a QEF.

The QEF election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS. A U.S. Holder generally makes a QEF election by attaching a completed IRS Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund), including the information provided in a PFIC annual information statement, to a timely filed U.S. federal income tax return for the tax year to which the election relates. Retroactive QEF elections generally may be made only by filing a protective statement with such return and if certain other conditions are met or with the consent of the IRS. U.S. Holders should consult with their tax advisors regarding the availability and tax consequences of a retroactive QEF election under their particular circumstances. In order to comply with the requirements of a QEF election, a U.S. Holder must receive a PFIC annual information statement from us. If we determine we are a PFIC for any tax year, we will endeavor to provide to a U.S. Holder such information as the IRS may require, including a PFIC annual information statement, in order to enable the U.S. Holder to make and maintain a QEF election. However, there is no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided.

If a U.S. Holder, at the close of its tax year, owns shares in a PFIC that are treated as “marketable stock”, the U.S. Holder may make a mark-to-market election with respect to such shares for such tax year. If the U.S. Holder makes a valid mark-to-market election for the first tax year of the U.S. Holder in which the U.S. Holder owns (or is deemed to hold) common stock in us and for which we are determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect to its common stock. Instead, in general, the U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of its common stock at the end of its tax year over the adjusted basis in its common stock. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of its common stock over the fair market value of its common stock at the end of its tax year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder’s basis in its common stock will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the common stock will be treated as ordinary income. The mark-to-market election is available only if our common stock is treated as marketable stock. If our common stock is listed on the NASDAQ Capital Market and is regularly traded on such market in accordance with applicable Treasury Regulations, our common stock will be treated as “marketable stock” for this purpose. U.S. Holders are advised to consult with their tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our common stock under their particular circumstances.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, U.S. Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, the lower-tier PFIC or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. We will endeavor to cause any lower-tier PFIC to provide to a U.S. Holder the information that may be required to make or maintain a QEF election with respect to the lower-tier PFIC. However, there is no assurance that we will have timely knowledge of the status of any such lower-tier PFIC. In addition, we may not hold a controlling interest in any such lower-tier PFIC and thus there can be no assurance we will be able to cause the lower-tier PFIC to provide the required information. U.S. Holders are advised to consult with their tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any tax year of the U.S. Holder, may have to file an IRS Form 8621 (whether or not a QEF or mark-to-market election is made) and such other information as may be required by the U.S. Treasury Department.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders are advised to consult with their tax advisors concerning the application of the PFIC rules (and the QEF and mark-to-market elections) to our common stock under their particular circumstances.

#### **United States Federal Income Taxation of “Non-U.S. Holders”**

A beneficial owner of common stock that is not a U.S. Holder is referred to herein as a “Non-U.S. Holder.”

*Dividends on Common Stock.* Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from us with respect to our common stock, unless that income is effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, that income is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

*Sale, Exchange or Other Disposition of Common Stock.* Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common stock, unless:

the gain is effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of an income tax treaty with respect to that gain, that gain is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or

the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the tax year of disposition and other conditions are met.

If the Non-U.S. Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common stock, including dividends and the gain from the sale, exchange or other disposition of the stock that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, if you are a corporate Non-U.S. Holder, your earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

## Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements. Such payments will also be subject to backup withholding tax if you are a non-corporate U.S. Holder and you:

fail to provide an accurate taxpayer identification number;

are notified by the Internal Revenue Service that you have failed to report all interest or dividends required to be shown on your federal income tax returns; or

in certain circumstances, fail to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on Internal Revenue Service Form W-8BEN, W-8ECI or W-8IMY, as applicable.

If you sell your stock to or through a United States office or broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless you certify that you are a non-U.S. person, under penalties of perjury, or you otherwise establish an exemption. If you sell your stock through a non-United States office of a non-United States broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to you outside the United States, if you sell your stock through a non-United States office of a broker that is a United States person or has some other contacts with the United States.

Backup withholding tax is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by filing a refund claim with the Internal Revenue Service.

We encourage each stockholder to consult with his, her or its own tax advisor as to particular tax consequences to it of holding and disposing of our shares, including the applicability of any state, local or foreign tax laws and any proposed changes in applicable law.

**EXPENSES RELATING TO THIS OFFERING**

Set forth below is an itemization of the total expenses that we expect to incur in connection with this distribution, all of which will be paid by us. With the exception of the SEC registration fee, all amounts are estimates and are not expressed in thousands of dollars.

SEC Registration Fee	\$	6,440.00
Legal Fees and Expenses	\$	70,000.00
Accounting Fees and Expenses	\$	5,000.00
Miscellaneous, including clerical, administrative, printing, edgarizing, general and internal expenses	\$	5,000.00
Total	\$	86,440.00

**LEGAL MATTERS**

The validity of the securities offered in this prospectus is being passed upon for us by Reeder & Simpson, P.C., special Marshall Islands counsel for FreeSeas. Sichenzia Ross Friedman Ference LLP is acting as counsel to FreeSeas connection with United States securities laws.

**EXPERTS**

The consolidated financial statements of FreeSeas Inc. at December 31, 2013, 2012 and 2011, and for the years then ended, incorporated herein by reference have been audited by RBSM LLP, an independent registered public accounting firm, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about FreeSeas' ability to continue as a going concern as described in Note 3 to the consolidated financial statements) incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

We have filed a registration statement on Form F-1 with the SEC in connection with this offering. This prospectus does not contain all of the information set forth in the registration statement, as permitted by the rules and regulations of the SEC. Each statement made in this prospectus concerning a document filed as an exhibit to the registration

statement is qualified by reference to that exhibit for a complete statement of its provisions.



We also file annual and others reports and other information with the SEC. You may read and copy any report or document we file, and the registration statement, including the exhibits, may be inspected at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

Quotations for the price of our common stock currently appear on the NASDAQ Capital Market.

As a "foreign private issuer," we are exempt from the rules under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), prescribing the furnishing and content of proxy statements to shareholders. Although we have opted out of the NASDAQ rules requiring NASDAQ-listed companies to provide proxy statements to shareholders, we currently expect to continue to furnish proxy statements to our shareholders. Those proxy statements are not expected to conform to Schedule 14A of the proxy rules promulgated under the Exchange Act. In addition, as a "foreign private issuer," we are exempt from the rules under the Exchange Act relating to short swing profit reporting and liability.

#### **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We are "incorporating by reference" certain documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus. Statements contained in documents that we file with the SEC and that are incorporated by reference in this prospectus will automatically update and supersede information contained in this prospectus, including information in previously filed documents or reports that have been incorporated by reference in this prospectus, to the extent the new information differs from or is inconsistent with the old information. Except as set forth below, the SEC file number for the documents incorporated by reference in this prospectus is 001-51672.

We have filed the following documents with the SEC and it is incorporated herein by reference as of its date of filing:

Our Annual Report on Form 20-F for the fiscal year ended December 31, 2013, as filed with the SEC on March 24, 2014; and

The description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on December 15, 2005.

## Edgar Filing: RYDER SYSTEM INC - Form SC 13G

A statement contained in a document incorporated by reference into this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, any prospectus supplement or in any other subsequently filed document which is also incorporated in this prospectus modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these documents, which will be provided to you at no cost, by accessing our website at [www.freeseas.gr](http://www.freeseas.gr) under the “Investor Relations” tab, or by writing or telephoning us using the following contact information:

Dimitris Papadopoulos, Chief Financial Officer

10, Eleftheriou Venizelou Street (Panepistimiou Ave.)

106 71, Athens, Greece

Telephone: +30-210-4528770

Email: [dp@freeseas.gr](mailto:dp@freeseas.gr)

You should rely only on the information contained in this prospectus, including information incorporated by reference as described above, or any prospectus supplement or that we have specifically referred you to. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that any document incorporated by reference is accurate as of any date other than its filing date. You should not consider this prospectus to be an offer or solicitation relating to the securities in any jurisdiction in which such an offer or solicitation relating to the securities is not authorized. Furthermore, you should not consider this prospectus to be an offer or solicitation relating to the securities if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

## **PART II**

### **INFORMATION NOT REQUIRED IN PROSPECTUS**

#### **Item 6. *Indemnification of Directors and Officers.***

The Amended and Restated By-Laws of the Registrant provide that any person who is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be entitled to be indemnified by the Registrant upon the same terms, under the same conditions, and to the same extent as authorized by Section 60 of the Business Corporations Act (Part I of the Associations Law) of the Republic of the Marshall Islands, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 60 of the Business Corporations Act (Part I of the Associations Law) of the Republic of the Marshall Islands provides as follows:

#### **Indemnification of directors and officers.**

(1) *Actions not by or in right of the corporation.* A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) *Actions by or in right of the corporation.* A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure judgment in its favor by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(3) *When director or officer is successful.* To the extent that director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (1) or (2) of this section, or in the defense of a claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(4) *Payment of expenses in advance.* Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this section.

(5) *Indemnification pursuant to other rights.* The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(6) *Continuation of indemnification.* The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(7) *Insurance.* A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer against any liability asserted against him and incurred by him in such capacity whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

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**Item 7. Recent Sales of Unregistered Securities.**

During the past three years, FreeSeas has sold the following shares of common stock without registration under the Securities Act, pursuant to exemptions from registration set forth in Sections 3(a)(10) or 4(2) of the Securities Act:

At its April 2012 meeting, our Board of Directors approved the issuance of 33,214 shares of common stock to the Manager in payment of the \$926 in unpaid fees due to the Manager for the first quarter of 2012 under the management and services agreements with us. The number of shares to be issued to the Manager was based on the closing prices of our common stock on the first day of each month during the quarter, which are the dates the management and services fees were due and payable. Upon issuance of these restricted shares, Mr. Varouxakis, who is our Chairman, Chief Executive Officer and President and the owner of the Manager, will beneficially own 26% of our outstanding common stock. The Board also approved the issuance of an aggregate of 3,993 shares of FreeSeas' common stock to the non-executive members of its Board of Directors in payment of \$31 per person in unpaid Board fees for the last three quarters of 2011. The aggregate number of shares to be issued to the directors was based on the closing prices of its common stock on the last day of each of the last three quarters of 2011, which are the dates that the Board fees were due and payable. All of the foregoing shares will be restricted shares under applicable U.S. securities laws.

On May 11, 2012, FreeSeas and YA Global entered into a Standby Equity Distribution Agreement, as amended on June 28, 2012, or SEDA. Pursuant to the SEDA, we have the right, for a 24-month period, to sell shares of our common stock to YA Global for a total purchase price of up to \$3,218,485. For each share of common stock purchased under the SEDA, YA Global will pay 96% of the lowest daily volume weighted average price during the five consecutive trading days after we deliver an advance notice to YA Global. We have issued 2,000 shares of our common stock to Yorkville as payment of a commitment fee and have agreed to pay \$15,000 to Yorkville as a structuring fee. As of March 1, 2013, we had sold an aggregate of 34,795 shares of our common stock to YA Global.

In connection with the SEDA, YA Global also agreed to purchase from the Company one or more note in the aggregate amount of \$500,000 in accordance with the terms of a Note Purchase Agreement dated May 11, 2012 (the "Note Purchase Agreement"). On August 21, 2012, the Company raised an aggregate of \$250,000 pursuant to the Note Purchase Agreement.

At its October 3, 2012 meeting, Company's Board of Directors approved the issuance of 43,930 shares of FreeSeas' common stock to the Manager in payment of the \$807 in unpaid fees due to the Manager for the third quarter of 2012 under the management and services agreements with FreeSeas. The number of shares to be issued to the Manager was based on the closing prices of FreeSeas' common stock on the first day of each month during the quarter, which are the dates the management and services fees were due and payable. The Board also approved the issuance of an aggregate of 6,536 shares of FreeSeas' common stock to the non-executive members of its Board of Directors in payment of \$30 per person in unpaid Board fees for the first, second and third quarter of 2012. The aggregate number of shares to be issued to the directors was based on the closing prices of FreeSeas' common stock on the last day of

each of the three quarters of 2012, which are the dates that the Board fees were due and payable. All of these shares were issued in October 2012 and are restricted shares under applicable U.S. securities laws.

On October 11, 2012, FreeSeas and Dutchess entered into an Investment Agreement. Pursuant to the Investment Agreement, we have the right, for a 36-month period, to sell 47,060 shares of our common stock to Dutchess. For each share of common stock purchased under the Investment Agreement, Dutchess will pay 98% of the lowest daily volume weighted average price during the five consecutive trading days commencing on the day we deliver the put notice to Dutchess. As of March 1, 2013, the Company has sold 47,060 shares of its common stock to Dutchess, under its Investment Agreement for aggregate sales proceeds of \$197.

On January 15, 2013, we issued 27,500 shares of our common stock (the "Settlement Shares") to Hanover Holdings I, LLC ("Hanover") in connection with a stipulation of settlement (the "Settlement Agreement") of an outstanding litigation claim. The Settlement Agreement provides that the Settlement Shares will be subject to adjustment on the 36<sup>th</sup> trading day following the date on which the Settlement Shares were initially issued to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Settlement Agreement be based upon a specified discount to the trading volume weighted average price (the "VWAP") of the Common Stock for a specified period of time. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Settlement Agreement shall be equal to the quotient obtained by dividing (i) \$305,485.59 by (ii) 70% of the VWAP of the Common Stock over the 35-trading day period following the date of issuance of the Settlement Shares (the "True-Up Period"), rounded up to the nearest whole share (the "VWAP Shares"). The Settlement Agreement further provides that if, at any time and from time to time during the True-Up Period, Hanover reasonably believes that the total number of Settlement Shares previously issued to Hanover shall be less than the total number of VWAP Shares to be issued to Hanover or its designee in connection with the Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the Company, at any time and from time to time during the True-Up Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee (subject to the limitations described below), and the Company will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered "Settlement Shares" for purposes of the Settlement Agreement).

On January 18, 2013, we delivered an additional 8,000 shares to Hanover and on January 29, 2013, we delivered an additional 1,657 shares to Hanover. At the end of the True-Up Period, (i) if the number of VWAP Shares exceeds the number of Settlement Shares issued, then the Company will issue to Hanover or its designee additional shares of Common Stock equal to the difference between the number of VWAP Shares and the number of Settlement Shares, and (ii) if the number of VWAP Shares is less than the number of Settlement Shares, then Hanover or its designee will return to the Company for cancellation that number of shares of Common Stock equal to the difference between the number of VWAP Shares and the number of Settlement Shares.

On January 31, 2013, an amendment to the Settlement Agreement reduced the True-Up Period from 35 trading days following the date the Initial Settlement Shares were issued to four trading days following the date the Initial Settlement Shares were issued. As a result, the True-Up Period expired on January 22, 2013. Accordingly, the total number of shares of Common Stock issuable to Hanover pursuant to the Settlement Agreement, as amended, was 37,157, which number is equal to the quotient obtained by dividing (i) \$305,485.59 by (ii) 70% of the VWAP of the Common Stock over the four-trading day period following the date of issuance of the Initial Settlement Shares, rounded up to the nearest whole share. All of such 37,157 shares of Common Stock had been issued to Hanover prior to the amendment of the Settlement Agreement. Accordingly, no further shares of Common Stock are issuable to Hanover pursuant to the Settlement Agreement, as amended, and Hanover is not required to return any shares of Common Stock to the Company for cancellation pursuant thereto.

On January 24, 2013, FreeSeas and Granite entered into an Investment Agreement. Pursuant to the Investment Agreement, we have the right, for a 36-month period, to sell up to 79,159 shares of our common stock to Granite. For each share of common stock purchased under the Investment Agreement, Granite will pay 98% of the lowest daily volume weighted average price during the five consecutive trading days commencing on the day we deliver the put notice to Granite. As of April 2, 2013, the Company had sold all 79,159 shares of its common stock to Granite under its Investment Agreement for aggregate sales proceeds of \$458.

On February 13, 2013, we issued 37,000 shares of our common stock (the "Second Settlement Shares") to Hanover in connection with a second stipulation of settlement (the "Second Settlement Agreement") of an outstanding litigation claim. The Second Settlement Agreement provides that the Second Settlement Shares will be subject to adjustment on the 36th trading day following the date on which the Second Settlement Shares were initially issued to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Second Settlement Agreement be based upon a specified discount to the VWAP of the Common Stock for a specified period of time. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Second Settlement Agreement shall be equal to the quotient obtained by dividing (i) \$740,651.57 by (ii) 75% of the VWAP of the Common Stock over the 35-trading day period following the date of issuance of the Second Settlement Shares (the "Second True-Up Period"), rounded up to the nearest whole share (the "Second VWAP Shares"). The Second Settlement Agreement further provides that if, at any time and from time to time during the Second True-Up Period, Hanover reasonably believes that the total number of Second Settlement Shares previously issued to Hanover shall be less than the total number of Second VWAP Shares to be issued to Hanover or its designee in connection with the Second Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the Company, at any time and from time to time during the Second True-Up Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee, and the Company



will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered "Second Settlement Shares" for purposes of the Second Settlement Agreement). On February 19, 2013, the Company issued and delivered to Hanover 18,000 additional Second Settlement Shares, on February 25, 2013, the Company issued and delivered to Hanover another 18,000 additional Second Settlement Shares, on February 26, 2013 the Company issued and delivered to Hanover another 18,000 additional Second Settlement Shares, on February 27, 2013, the Company issued and delivered to Hanover another 20,000 additional Second Settlement Shares, on February 28, 2013, the Company issued and delivered to Hanover another 20,000 additional Second Settlement Shares and on March 4, 2013, the Company issued and delivered to Hanover another 20,000 additional Second Settlement Shares. At the end of the Second True-Up Period, the Company issued and delivered 6,351 additional Second Settlement Shares to Hanover on March 6, 2013.

On February 28, 2013, pursuant to the approval of the Company's Board of Directors at its January 18, 2013 meeting, the Company issued 128,328 shares of its common stock to the Manager in payment of \$809 in unpaid fees due to the Manager for November and December 2012 and January 2013 and 8,382 shares of its common stock to its non-executive directors in payment of \$48 in unpaid Board fees for the fourth quarter of 2012.

On March 14, 2013, we issued 14,039 shares of common stock to YA Global in settlement of the outstanding interest and principal totaled \$63 under the promissory note, pursuant to the Note Purchase Agreement dated May 11, 2012 between the Company and YA Global.

On March 20, 2013, we issued 70,000 shares of our common stock (the "Third Settlement Shares") to Hanover in connection with a third stipulation of settlement (the Third Settlement Agreement of an outstanding litigation claim. The Third Settlement Agreement provides that the Third Settlement Shares will be subject to adjustment on the 36th trading day following the date on which the Third Settlement Shares were initially issued to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Third Settlement Agreement be based upon a specified discount to the VWAP of the Common Stock for a specified period of time. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Third Settlement Agreement shall be equal to the quotient obtained by dividing (i) \$1,264,656.12 by (ii) 70% of the VWAP of the Common Stock over the 35-trading day period following the date of issuance of the Third Settlement Shares (the "Third True-Up Period"), rounded up to the nearest whole share (the "Third VWAP Shares"). The Third Settlement Agreement further provides that if, at any time and from time to time during the Third True-Up Period, Hanover reasonably believes that the total number of Third Settlement Shares previously issued to Hanover shall be less than the total number of Third VWAP Shares to be issued to Hanover or its designee in connection with the Third Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the Company, at any time and from time to time during the Third True-Up Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee, and the Company will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered "Third Settlement Shares" for purposes of the Third Settlement Agreement). On March 21, 2013, the Company issued and delivered to Hanover 78,000 additional Settlement Shares, on March 22, 2013, the Company issued and delivered to Hanover another 84,000 additional Settlement Shares and on March 26, 2013 the Company issued and delivered to Hanover another 60,000 additional Settlement Shares. At the end of the Third True-Up Period, the Company issued and delivered 2,579 additional Settlement Shares to Hanover on March 26, 2013.



On April 17, 2013, we issued 112,000 shares of our common stock (the “Fourth Settlement Shares”) to Hanover in connection with a fourth stipulation of settlement (the “Fourth Settlement Agreement”) of an outstanding litigation claim. The Fourth Settlement Agreement provides that the Fourth Settlement Shares will be subject to adjustment on the 36th trading day following the date on which the Fourth Settlement Shares were initially issued to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Fourth Settlement Agreement be based upon a specified discount to the trading VWAP of the Common Stock for a specified period of time. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Fourth Settlement Agreement shall be equal to the quotient obtained by dividing (i) \$1,792,416.92 by (ii) 75% of the VWAP of the Common Stock over the 35-trading day period following the date of issuance of the Fourth Settlement Shares (the “Fourth True-Up Period”), rounded up to the nearest whole share (the “Fourth VWAP Shares”). The Fourth Settlement Agreement further provides that if, at any time and from time to time during the Fourth True-Up Period, Hanover reasonably believes that the total number of Fourth Settlement Shares previously issued to Hanover shall be less than the total number of Fourth VWAP Shares to be issued to Hanover or its designee in connection with the Fourth Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the Company, at any time and from time to time during the Fourth True-Up Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee (subject to the limitations described below), and the Company will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered “Fourth Settlement Shares” for purposes of the Fourth Settlement Agreement). On April 22, 2013, the Company issued and delivered to Hanover 60,000 additional Settlement Shares, on April 29, 2013, the Company issued and delivered to Hanover another 65,000 additional Settlement Shares, on May 6, 2013, the Company issued and delivered to Hanover another 67,000 additional Settlement Shares, on May 10, 2013, the Company issued and delivered to Hanover another 70,000 additional Settlement Shares, on May 16, 2013, the Company issued and delivered to Hanover another 150,000 additional Settlement Shares and on May 22, 2013, the Company issued and delivered to Hanover another 40,000 additional Settlement Shares. . At the end of the Fourth True-Up Period, the Company issued and delivered 119 additional Settlement Shares to Hanover on May 24, 2013.

On May 28, 2013, we issued 27,385 shares of common stock issued to Navar for settlement of \$94 of outstanding debt.

On June 26, 2013, we issued 178,000 shares of our common stock (the “Fifth Settlement Shares”) to Hanover in connection with a fifth stipulation of settlement (the “Fifth Settlement Agreement”) of an outstanding litigation claim. The Fifth Settlement Agreement provides that the Fifth Settlement Shares will be subject to adjustment on the 36th trading day following the date on which the Fifth Settlement Shares were initially issued to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Fifth Settlement Agreement be based upon a specified discount to the trading VWAP of the Common Stock for a specified period of time. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Fifth Settlement Agreement shall be equal to the quotient obtained by dividing (i) \$5,331,011.90 by (ii) 75% of the VWAP of the Common Stock over the 120 consecutive trading day period following the date of issuance of the Fifth Settlement Shares (the “Fifth True-Up Period”), rounded up to the nearest whole share (the “Fifth VWAP Shares”). The Fifth Settlement Agreement further provides that if, at any time and from time to time during the Fifth True-Up Period, Hanover reasonably believes that the total number of Fifth Settlement Shares previously issued to Hanover shall be less than the total number of Fifth VWAP Shares to be issued to Hanover or its designee in connection with the Fifth Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the

Company, at any time and from time to time during the Fifth True-Up Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee (subject to the limitations described below), and the Company will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered "Fifth Settlement Shares" for purposes of the Fifth Settlement Agreement). Between July 2, 2013 and September 9, 2013, the Company issued and delivered to Hanover an aggregate of 5,501,600 additional Settlement Shares. At the end of the Fifth True-Up Period, the Company issued and delivered 426,943 additional Settlement Shares to Hanover on September 10, 2013.

On August 2, 2013, the Company issued 232,948 shares of common stock to Asher upon conversion of the \$153.5 convertible promissory note dated January 31, 2013.

On August 16, 2013, the Company issued to 100,000 shares of common stock to its legal counsel in exchange for the extinguishment of \$105 of outstanding debt related to services provided to the Company.

On September 20, 2013, pursuant to the approval of the Company's Compensation Committee, the Company issued an aggregate of 1,197,034 shares of its common stock to officers, directors and employees as a bonus for their commitment and hard work during adverse market conditions.

On September 25, 2013, the Company, in partial consideration for Hanover's cancellation of certain covenants, issued to Hanover 400,000 shares of common stock.

On September 26, 2013, Crede and the Company entered into an Exchange Agreement (the "Exchange Agreement"), in order to settle the complaint filed against the Company by Crede seeking to recover an aggregate of \$10,500, representing all amounts due under the Settlement Agreement, as amended. The total number of shares of Common Stock to be issued to Crede pursuant to the Exchange Agreement will equal the quotient of (i) \$11,850 divided by (ii) 78% of the volume weighted average price of the Company's Common Stock, over the 75-consecutive trading day period immediately following the first trading day after the Court approved the Order (or such shorter trading-day period as may be determined by Crede in its sole discretion by delivery of written notice to the Company) (the "Calculation Period"), rounded up to the nearest whole share (the "Crede Settlement Shares"). 1,011,944 of the Crede Settlement Shares were issued and delivered to Crede on October 10, 2013 and an aggregate of 6,151,708 Crede Settlement Shares were issued and delivered to Crede between October 11, 2013 and November 7, 2013. The Exchange Agreement further provides that if, at any time and from time to time during the Calculation Period (as defined below), the total number of Crede Settlement Shares (as defined below) previously issued to Crede is less than the total number of Crede Settlement Shares to be issued to Crede or its designee in connection with the Exchange Agreement, Crede may, in its sole discretion, deliver one or more written notices to the Company requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Crede or its designee (subject to the limitations described below), and the Company will upon such request issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of which additional shares shall be considered "Crede Settlement Shares" for purposes of the Exchange Agreement. At the end of the Calculation Period, (i) if the total number of Crede Settlement Shares required to be issued exceeds the number of Crede Settlement Shares previously issued to Crede, then the Company will issue to Crede or its designee additional shares of Common Stock equal to the difference between the total number of Crede Settlement Shares required to be issued and the number of Crede Settlement Shares previously issued to Crede, and (ii) if the total number of Crede Settlement Shares required to be issued is less than the number of Crede Settlement Shares previously issued to Crede, then Crede or its designee will return to the Company for cancellation that number of shares of Common Stock equal to the difference between the number of total number of Crede Settlement Shares required to be issued and the number of Crede Settlement Shares previously issued to Crede. Crede may sell the shares of Common Stock issued to it or its designee in connection with the Exchange Agreement at any time without restriction, even during the Calculation Period. The Calculation Period expired on December 24, 2013. Accordingly, the total number of shares of Common Stock issuable to Crede pursuant to the Exchange Agreement was 8,741,761. Accordingly, 1,578,110 additional Crede Settlement Shares were owed to Crede, and on December 27, 2013, the Company issued and delivered to Crede 1,578,110 Crede Settlement Shares.

On October 10, 2013, the Company issued 53,618 shares of common stock to Asher upon conversion of the \$103.5 convertible promissory note dated April 8, 2013.

On October 14, 2013, the Company issued 991,658 shares of its common stock to the Manager in payment of \$2,168 in unpaid fees due to the Manager for the months of February – September 2013 under the management and services agreements with the Company. The number of shares issued to the Manager was based on the closing prices of the Company's common stock on the first day of each month, which is the date the management and services fees were

due and payable. In addition, the Company also issued an aggregate of 34,326 shares of the Company's common stock to its non-executive members of its Board of Directors in payment of \$120 in unpaid Board fees for the first, second and third quarters of 2013.

On November 18, 2013, the Company issued 109,279 shares of common stock to Asher upon conversion of the \$103.5 convertible promissory note dated May 13, 2013 plus accrued interest.

On December 30, 2013, the Company issued to Crede 750,000 shares of common stock upon conversion of 15,000 shares of Series B Preferred Stock.

On December 31, 2013, the Company issued to Crede 1,450,000 shares of common stock upon conversion of 29,000 shares of Series C Preferred Stock.

On January 3, 2014, the Company issued to Crede 1,500,000 shares of common stock upon conversion of 30,000 shares of Series C Preferred Stock.

On January 8, 2014, the Company issued to Crede 1,300,000 shares of common stock upon conversion of 26,000 shares of Series C Preferred Stock.

On February 6, 2014, the Company issued 67,476 shares of common stock to Asher upon conversion of \$75 principal of a convertible promissory note dated July 29, 2013 plus accrued interest.

On February 7, 2014, the Company issued 53,700 shares of common stock to Asher upon conversion of the remaining principal of \$53.5 convertible promissory note dated July 29, 2013 plus accrued interest.

**Item 8. Exhibits and Financial Statement Schedules.**

The following exhibits are filed as part of this Registration Statement:

<b>Exhibit No.</b>	<b>Exhibit Description</b>	<b>Where Filed</b>
3.01	Amended and Restated Articles of Incorporation of FreeSeas Inc. (formerly known as Adventure Holdings S.A.)	Exhibit 3.1 to Registrant's Registration Statement on Form F-1 (File No. 333-124825) filed on May 11, 2005 and incorporated herein by reference
3.02	Amended and Restated By-Laws of FreeSeas Inc. (formerly known as Adventure Holdings S.A.)	Exhibit 3.2 to Registrant's Registration Statement on Form F-1 (File No. 333-124825) filed on May 11, 2005 and incorporated herein by reference
3.03	First Amendment to the Amended and Restated Bylaws of FreeSeas Inc.	Exhibit 3.3 to Amendment No. 1 to Registrant's Registration Statement on Form F-1 (File No. 333-145203) filed on October 15, 2007 and incorporated herein by reference
3.04	First Amendment to the Amended and Restated Articles of Incorporation of FreeSeas Inc.	Exhibit 99.3 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference
3.05	Amendment to the Amended and Restated Articles of Incorporation of FreeSeas Inc.	Exhibit 1.5 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference
3.06	Certificate of Amendment to the Amended and Restated Articles of Incorporation, as filed with the Registrar of Corporations of the Marshall Islands on February 12, 2013	Exhibit 3.01 to Registrant's Form 6-K, as filed on February 14, 2013 and incorporated herein by reference
3.07	Certificate of Amendment to the Amended and Restated Articles of Incorporation, as filed with the Registrar of Corporations of the Marshall Islands on November 26, 2013	Exhibit 3.01 to Registrant's Form 6-K, as filed on December 2, 2013 and incorporated herein by reference
3.08	Certificate of Amendment to the Amended and Restated Articles of Incorporation for the Series D Convertible Preferred Stock	To be filed by amendment
4.01	Specimen Common Stock Certificate	

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Exhibit 4.1 to Amendment No. 1 to Registrant's Registration Statement on Form F-1 (File No. 333-124825) filed on July 22, 2005 and incorporated herein by reference

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| 4.02  | Shareholder Rights Agreement entered into effective as of January 14, 2009 by and between FreeSeas Inc. and American Stock Transfer & Trust Company, LLC | Exhibit 2.9 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2008 and incorporated herein by reference         |
| 5.01  | Opinion of Marshall Islands counsel to the Registrant, as to the validity of the securities to be issued   | To be filed by amendment   |
| 10.01 | Amended and Restated 2005 Stock Incentive Plan   | Annex A to Registrant's Form 6-K filed on December 1, 2006 and incorporated herein by reference  |
| 10.02 | Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse   | Exhibit 4.39 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference        |
| 10.03 | First Preferred Mortgage on the M/V Free Hero in favor of Credit Suisse  | Exhibit 4.40 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference        |
| 10.04 | Addendum No. 1 dated July 18, 2011 to First Preferred Mortgage on the M/V Free Hero in favor of Credit Suisse AG   | Exhibit 4.4 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012 |



10.05	First Preferred Mortgage on the M/V Free Goddess in favor of Credit Suisse	Exhibit 4.41 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference
10.06	Addendum No. 1 dated July 18, 2011 to First Preferred Mortgage on the M/V Free Goddess in favor of Credit Suisse AG	Exhibit 4.6 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012
10.07	First Preferred Mortgage on the M/V Free Jupiter in favor of Credit Suisse	Exhibit 4.42 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference
10.08	Addendum No. 1 dated July 18, 2011 to First Preferred Mortgage on the M/V Free Jupiter in favor of Credit Suisse AG	Exhibit 4.8 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012
10.09	Supplemental Agreement dated June 26, 2008 to the Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 4.56 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2008 and incorporated herein by reference
10.10	Supplemental Agreement dated March 23, 2009 to the Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 4.57 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2008 and incorporated herein by reference
10.11	Amended and Restated Services Agreement dated October 1, 2008 between FreeSeas Inc. and Free Bulkers S.A.	Exhibit 4.61 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2008 and incorporated herein by reference
10.12	Supplemental Agreement dated June 8, 2011 between FreeSeas, Inc. and Free Bulkers S.A.	Exhibit 4.12 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012
10.13	Amendment and Restatement Agreement dated September 1, 2009 among Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., FreeSeas Inc. and New HBU II N.V.	Exhibit 99.5 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference
10.14	Facility Agreement dated September 1, 2009 among Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., FreeSeas Inc. and New HBU II N.V.	Exhibit 99.6 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference
10.15	Deed of Release of Whole dated September 15, 2009 by New HBU II N.V. in favour of Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A. and Adventure Eleven	Exhibit 99.7 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference

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| 10.16 | Deed of Assignment dated September 15, 2009 between Adventure Three S.A. and New HBU II N.V.   | Exhibit 99.9 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference  |
| 10.17 | Deed of Assignment dated September 15, 2009 between Adventure Seven S.A. and New HBU II N.V.   | Exhibit 99.10 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference |
| 10.18 | Deed of Assignment dated September 15, 2009 between Adventure Eleven S.A. and New HBU II N.V.  | Exhibit 99.11 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference |
| 10.19 | Addendum No. 1 dated September 17, 2009 to the Amended and Restated Services Agreement dated October 1, 2008 by and between FreeSeas Inc. and Free Bulkiers S.A. | Exhibit 99.12 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference |
| 10.20 | Form of Standard Ship Management Agreement by and between Free Bulkiers S.A. and each of Adventure Five S.A. through Adventure Twelve S.A.                       | Exhibit 99.13 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference |

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10.21	Form of Addendum No. 2 to BIMCO Management Agreement by and between Free Bulkers S.A. and each of Adventure Two S.A. and Adventure Three S.A. and Form of Addendum No. 1 to BIMCO Management Agreement by and between Free Bulkers S.A. and each of Adventure Five S.A. through Adventure Twelve S.A.	Exhibit 99.14 to Registrant's 6-K filed on October 22, 2009 and incorporated herein by reference
10.22	Loan Agreement dated December 15, 2009 among Adventure Nine S.A., Adventure Twelve S.A. and First Business Bank	Exhibit 4.60 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.23	First Priority Mortgage on the M/V Free Impala in favor of First Business Bank	Exhibit 4.61 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.24	First Preferred Mortgage on the M/V Free Neptune in favor of First Business Bank	Exhibit 4.62 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.25	Deed of Covenants dated December 16, 2009 between Adventure Nine S.A. and First Business Bank	Exhibit 4.63 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.26	Amendment and Restatement Agreement dated December 1, 2009 among Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., FreeSeas Inc. and New HBU II N.V	Exhibit 4.64 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.27	Restated Facility Agreement dated December 1, 2009 among Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., FreeSeas Inc. and New HBU II N.V.	Exhibit 4.65 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.28	Third Supplemental Agreement dated November 27, 2009 to the Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 4.66 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.29	Fourth Supplemental Agreement dated July 15, 2011 to the Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 99.3 to Registrant's 6-K filed December 12, 2011 and incorporated herein by reference
10.30	Fifth Supplemental Agreement dated November 7, 2011 to the Facility Agreement dated December 24, 2007 between FreeSeas Inc.	Exhibit 99.4 to Registrant's 6-K filed December 12, 2011 and

	and Credit Suisse	incorporated herein by reference
10.31	Credit Suisse Letter dated August 4, 2011 regarding Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 4.35 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012 and incorporated herein by reference
10.32	Credit Suisse Letter dated September 6, 2011 regarding Facility Agreement dated December 24, 2007 between FreeSeas Inc. and Credit Suisse	Exhibit 4.36 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012 and incorporated herein by reference
10.33	First Preferred Liberian Ship Mortgage on the M/V Free Goddess in favor of Credit Suisse AG	Exhibit 4.67 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.34	First Preferred Liberian Ship Mortgage on the M/V Free Hero in favor of Credit Suisse AG	Exhibit 4.68 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference
10.35	First Preferred Liberian Ship Mortgage on the M/V Free Jupiter in favor of Credit Suisse AG	Exhibit 4.69 to Registrant's Form 20-F filed on June 16, 2010 and incorporated herein by reference

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10.36	Addendum No. 2 dated July 18, 2011 to First Preferred Mortgage on the M/V Free Lady in favor of Credit Suisse AG	Exhibit 4.32 to Amendment No. 1 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 16, 2012 and incorporated herein by reference
10.37	First Supplemental Agreement dated January 27, 2012 among FBB – First Business Bank S.A., Adventure Nine S.A., Adventure Twelve S.A., FreeSeas Inc. and Free Bulkers S.A.	Exhibit 4.30 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 7, 2012 and incorporated herein by reference
10.38	Letter Agreement dated February 2, 2012 with Credit Suisse	Exhibit 4.31 to Registrant's Annual Report on Form 20-F for the year ended December 31, 2011, as filed on May 7, 2012 and incorporated herein by reference
10.39	Standby Equity Distribution Agreement dated May 11, 2012 between FreeSeas Inc. and YA Global Master SPV Ltd.	Exhibit 99.2 to Registrant's Form 6-K, as filed on May 15, 2012 and incorporated herein by reference
10.40	Note Purchase Agreement dated May 11, 2012 between FreeSeas Inc. and YA Global Master SPV Ltd.	Exhibit 99.3 to Registrant's Form 6-K, as filed on May 15, 2012 and incorporated herein by reference
10.41	Amendment dated June 28, 2012 to Standby Equity Distribution Agreement	Exhibit 99.1 to Registrant's Form 6-K, as filed on June 29, 2012 and incorporated herein by reference
10.42	Sixth Supplemental Agreement dated May 31, 2012 among FreeSeas Inc., Adventure Five S.A., Adventure Six S.A., Adventure Eight S.A., Adventure Ten S.A., Free Bulkers S.A., and Credit Suisse AG	Exhibit 99.1 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference
10.43	Facility Agreement (as amended and restated) between FreeSeas Inc. and Credit Suisse AG	Exhibit 99.2 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference
10.44	Addendum No. 3 to First Preferred Mortgage dated May 31, 2012 between Adventure Five S.A. and Credit Suisse AG	Exhibit 99.3 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference
10.45	Addendum No. 3 to First Preferred Mortgage dated May 31, 2012 between Adventure Six S.A. and Credit Suisse AG	Exhibit 99.4 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference
10.46	Addendum No. 3 to First Preferred Mortgage dated May 31, 2012 between Adventure Eight S.A. and Credit Suisse AG	Exhibit 99.5 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference
10.47	Deed of Release dated May 31, 2012 by Credit Suisse AG in favor of Adventure Ten S.A.	Exhibit 99.6 to Registrant's Form 6-K, as filed on June 12, 2012 and incorporated herein by reference

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| 10.48 | Amendment and Restatement Agreement dated September 7, 2012 by and among FreeSeas Inc., certain of the Company's subsidiaries and Deutsche Bank Nederland N.V. | Exhibit 99.6 to Registrant's Form 6-K, as filed on September 19, 2012 and incorporated herein by reference |
| 10.49 | Investment Agreement dated October 11, 2012 by and between the Company and Dutchess Opportunity Fund, II, LP   | Exhibit 99.1 to Registrant's Form 6-K, as filed on October 12, 2012 and incorporated herein by reference.  |
| 10.50 | Registration Rights Agreement dated October 11, 2012 by and between the Company and Dutchess Opportunity Fund, II, LP  | Exhibit 99.2 to Registrant's Form 6-K, as filed on October 12, 2012 and incorporated herein by reference.  |
| 10.51 | Stipulation of Settlement between the Company and Hanover Holdings I, LLC  | Exhibit 99.1 to Registrant's Form 6-K, as filed on January 15, 2013 and incorporated herein by reference.  |

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| 10.52 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated January 14, 2013       | Exhibit 99.2 to Registrant's Form 6-K, as filed on January 15, 2013 and incorporated herein by reference.  |
| 10.53 | Investment Agreement dated January 24, 2013 by and between the Company and Granite State Capital, LLC  | Exhibit 99.1 to Registrant's Form 6-K, as filed on January 24, 2013 and incorporated herein by reference.  |
| 10.54 | Registration Rights Agreement dated January 24, 2013 by and between the Company and Granite State Capital, LLC   | Exhibit 99.2 to Registrant's Form 6-K, as filed on January 24, 2013 and incorporated herein by reference.  |
| 10.55 | Amendment to Stipulation of Settlement between the Company and Hanover Holdings I, LLC   | Exhibit 99.1 to Registrant's Form 6-K, as filed on February 1, 2013 and incorporated herein by reference.  |
| 10.56 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated January 31, 2013       | Exhibit 99.2 to Registrant's Form 6-K, as filed on February 1, 2013 and incorporated herein by reference.  |
| 10.57 | Stipulation of Settlement between the Company and Hanover Holdings I, LLC  | Exhibit 99.1 to Registrant's Form 6-K, as filed on February 13, 2013 and incorporated herein by reference. |
| 10.58 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated February 13, 2013      | Exhibit 99.2 to Registrant's Form 6-K, as filed on February 13, 2013 and incorporated herein by reference. |
| 10.59 | Stipulation of Settlement between the Company and Hanover Holdings I, LLC  | Exhibit 99.1 to Registrant's Form 6-K, as filed on March 20, 2013 and incorporated herein by reference.    |
| 10.60 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated March 19, 2013         | Exhibit 99.2 to Registrant's Form 6-K, as filed on March 20, 2013 and incorporated herein by reference.    |
| 10.61 | Revised Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated March 20, 2013 | Exhibit 99.3 to Registrant's Form 6-K, as filed on March 20, 2013 and incorporated herein by reference.    |
| 10.62 | Stipulation of Settlement between the Company and Hanover Holdings I, LLC  | Exhibit 99.1 to Registrant's Form 6-K, as filed on April 17, 2013 and incorporated herein by reference.    |
| 10.63 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated April 17, 2013         | Exhibit 99.2 to Registrant's Form 6-K, as filed on April 17, 2013 and incorporated herein by reference.    |

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| 10.64 | Investment Agreement dated May 29, 2013 by and between the Company and Dutchess Opportunity Fund, II, LP          | Exhibit 99.1 to Registrant's Form 6-K, as filed on May 30, 2013 and incorporated herein by reference.  |
| 10.65 | Registration Rights Agreement dated May 29, 2013 by and between the Company and Dutchess Opportunity Fund, II, LP | Exhibit 99.2 to Registrant's Form 6-K, as filed on May 30, 2013 and incorporated herein by reference.  |
| 10.66 | Stipulation of Settlement between the Company and Hanover Holdings I, LLC   | Exhibit 99.1 to Registrant's Form 6-K, as filed on June 26, 2013 and incorporated herein by reference. |

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| 10.67 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated June 25, 2013   | Exhibit 99.2 to Registrant's Form 6-K, as filed on June 26, 2013 and incorporated herein by reference.      |
| 10.68 | Form of Debt Purchase and Settlement Agreement, dated as of July 5, 2013 by and among FreeSeas Inc., Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., Deutsche Bank Nederland N.V. and Hanover Holdings I, LLC                | Exhibit 99.1 to Registrant's Form 6-K, as filed on July 10, 2013 and incorporated herein by reference.      |
| 10.69 | Assignment and Amendment Agreement, dated as of September 25, 2013, by and among FreeSeas Inc., Adventure Two S.A., Adventure Three S.A., Adventure Seven S.A., Adventure Eleven S.A., Deutsche Bank Nederland N.V., Crede CG III, Ltd. and Hanover Holdings I, LLC | Exhibit 99.1 to Registrant's Form 6-K, as filed on September 26, 2013 and incorporated herein by reference. |
| 10.70 | Exchange Agreement, dated September 26, 2013, by and between the Company and Crede  | Exhibit 99.1 to Registrant's Form 6-K, as filed on October 1, 2013 and incorporated herein by reference.    |
| 10.71 | Order Approving Fairness, Terms and Conditions of Exchange and Issuance Pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended, dated October 9, 2013   | Exhibit 99.2 to Registrant's Form 6-K, as filed on October 10, 2013 and incorporated herein by reference.   |
| 10.72 | Securities Purchase Agreement, dated November 3, 2013, by and between the Company and Crede   | Exhibit 99.1 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.73 | Form of Certificate of Designation, Rights and Preferences of the Series B Convertible Preferred Stock  | Exhibit 99.2 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.74 | Form of Certificate of Designation, Rights and Preferences of the Series C Convertible Preferred Stock  | Exhibit 99.3 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.75 | Form of Series A Warrant  | Exhibit 99.4 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.76 | Form of Series B Warrant  | Exhibit 99.5 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.77 | Form of Registration Rights Agreement, by and between the Company and Crede   | Exhibit 99.6 to Registrant's Form 6-K, as filed on November 4, 2013 and incorporated herein by reference.   |
| 10.78 |   | To be filed by amendment  |

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Form of Securities Purchase Agreement by and between the  
Company and certain investors

10.79	Form of Warrant	To be filed by amendment
21.01	Subsidiaries of the Registrant	Exhibit 21.1 to Registrant's Registration Statement on Form F-1 (File No. 333-182471) filed on June 29, 2012 and incorporated herein by reference
23.01	Consent of RBSM LLP	Filed herewith
23.02	Consent of Marshall Islands Counsel	Included in Exhibit 5.01 to be filed by amendment
24.1	Power of Attorney	Included on signature page of this Registration Statement

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**Item 9. Undertakings.**

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness.

Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(6) For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by the registrant of expenses incurred and paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding, is asserted by such director, officer or controlling person in connection with the securities being registered hereby, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(i) The undersigned Registrant hereby undertakes that it will:

(1) for determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1), or (4) or 497(h) under the Securities Act as part of this registration statement as of the time the Commission declared it effective.

(2) for determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing of the Registration Statement on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Piraeus, Country of Greece on April 9, 2014.

### **FRESEAS INC.**

By: /s/ Ion G. Varouxakis  
Ion G. Varouxakis,  
Chairman of the Board, Chief Executive Officer and President

## POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Ion G. Varouxakis and Dimitris Papadopoulos, as attorneys-in-fact with full power of substitution, provided they act jointly, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Act of 1933, and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the U.S. Securities Act of 1933 of common shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the U.S. Securities Act of 1933, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement, and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the U.S. Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<b>Signatures</b>	<b>Title</b>	<b>Date</b>
/s/ Ion G. Varouxakis	Chairman of the Board of Directors,	April 9, 2014

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Chief Executive Officer and President

(Principal executive officer)

Ion G. Varouxakis

Chief Financial Officer and Treasurer

/s/ Dimitris Papadopoulos

April 9, 2014

(Principal financial and accounting officer)

Dimitris Papadopoulos

/s/ Focko H. Nauta

Director

April 9, 2014

Focko H. Nauta

/s/ Dimitrios Panagiotopoulos Director

April 9, 2014

Dimitrios Panagiotopoulos

/s/ Keith Bloomfield

Director

April 9, 2014

Keith Bloomfield

/s/ Xenophon Galinas

Director

April 9, 2014

Xenophon Galinas

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**SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES**

Pursuant to the Securities Act of 1933, as amended, the undersigned, Sichenzia Ross Friedman Ference LLP, the duly authorized representative in the United States of FreeSeas Inc., has signed this registration statement in New York, New York on April 9, 2014.

SICHENZIA ROSS  
FRIEDMAN FERENCE LLP

By: /s/ James M. Turner  
Name: James M. Turner, Esq.  
Title: Partner

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