

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1995-06-13**  
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### FILER

#### INFODATA SYSTEMS INC

CIK: **50420** | IRS No.: **160954695** | State of Incorporation: **NY** | Fiscal Year End: **1231**  
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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT  
Under  
The Securities Act of 1933

Infodata Systems Inc.

(Exact name of registrant as specified in its charter)

Virginia

16-0954695

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification  
Number)

12150 Monument Drive, Suite 400, Fairfax, Virginia 22033  
(Address of Principal Executive Offices including Zip Code)

Infodata Systems Inc. 1995 Stock Option Plan,  
1987 Stock Warrant Purchase Plan and 1981 Incentive Stock Option Plan  
(Full title of plans)

Harry Kaplowitz  
President  
Infodata Systems Inc.  
12150 Monument Drive, Suite 400  
Fairfax, Virginia 22033  
(703) 934-5205

(Name, address and telephone number of agent for service)

Copies to:

Arthur H. Bill, Esq.  
Freedman, Levy, Kroll & Simonds  
1050 Connecticut Avenue, N.W. (Suite 825)  
Washington, D.C. 20036

CALCULATION OF REGISTRATION FEE

Title of	Amount	Proposed Maximum
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Securities to be Registered	to be registered (1)	Proposed Maximum Offering Price Per Share (2)	Aggregate Offering Price (2)	Amount of Registration Fee
Common Stock, \$.03 par value	464,984 shares	\$3.25	\$1,511,198	\$521.10

(1) Plus an indeterminate number of shares of Common Stock that may be issuable by reason of stock splits, stock dividends or similar transactions in accordance with Rule 416 under the Securities Act of 1933.

(2) The amounts are based upon the average of the high and low prices for the Common Stock as reported on the NASDAQ SmallCap Market on June 7, 1995 and are used solely for the purpose of calculating the registration fee pursuant to paragraphs (c) and (h)(1) of Rule 457 under the Securities Act of 1933.

## PART I

### INFORMATION REQUIRED IN PROSPECTUS

The information called for in Part I of Form S-8 is not being filed with or included in this Form S-8 (by incorporation by reference or otherwise) in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC").

## PART II

### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents previously filed by Infodata Systems Inc. (the "Company") (SEC File No. 0-10416) with the SEC pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") are incorporated in this Registration Statement by reference and deemed to be a part hereof:

1. The Company's Annual Report on Form 10-KSB for the year ended December 31, 1994.

2. The Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1995.

3. The description of the Company's Common Stock, par value \$.03 per share (the "Common Stock"), contained in the Company's Registration Statement on Form 10, as filed with the SEC on April 30, 1982, under the Exchange Act.

In addition, all documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated in this Registration Statement by reference and to be a part hereof from the date of filing of such documents; provided, however, that the documents enumerated above or subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act in each year during which the offering made by this Registration Statement is in effect prior to the filing with the SEC of the Company's Annual Report on Form 10-KSB covering such year shall not be deemed incorporated by reference in this Registration Statement and shall not be a part hereof from and after the filing of such Annual Report on Form 10-KSB.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed,

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except as so modified or superseded, to constitute a part of this Registration Statement.

The Company hereby undertakes to provide without charge to each person who has received a copy of the prospectus to which this Registration Statement relates, upon the written or oral request of any such person, a copy of any or all the documents that have been or may be incorporated by reference into this Registration Statement, other than exhibits to such documents (unless such exhibits are incorporated therein by reference).

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers.

Article 10 ("Article 10") of Chapter 9 of Title 13.1 of the Code of Virginia (the "Virginia Code") provides a Virginia corporation with broad powers to indemnify its officers and directors in certain circumstances so long as the officer or director (i) conducted himself in good faith, (ii) reasonably believed that his conduct was in the best interests, or at least not opposed to the best interests, of the corporation and (iii) had no reasonable cause to believe that his conduct was unlawful; provided, however, that no

indemnification shall be available in the event of or limit the liability of a director or officer for (i) any proceeding by or in the right of the corporation in which the director or officer was adjudged liable to the corporation; (ii) any transactions from which the director or officer derived an improper personal benefit; (iii) his willful misconduct; (iv) a knowing violation of the criminal law or of any federal or state securities law, including, without limitation, any claim of unlawful insider trading or manipulation of the market for any security; or (v) unlawful payment of dividends or other unlawful distributions.

As permitted under Article 10 of the Virginia Code, Article 9 of the Company's Articles of Incorporation provides that:

The directors and officers of the Corporation shall not be liable for any damages in any proceeding brought by or in the name of the Corporation or its shareholders unless the director or officer engaged in willful misconduct or a knowing violation of the criminal law or of any federal or state securities law, including, without limitation, any claim of unlawful insider trading or manipulation of the market for any security.

Item 7. Exemption from Registration Claimed.

Not Applicable.

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Item 8. Exhibits.

Exhibit

Number	Description
4(a)	Infodata Systems Inc. 1995 Stock Option Plan.
4(b)	Infodata Systems Inc. 1987 Stock Warrant Purchase Plan. (Incorporated herein by reference to Exhibit 10(cc) to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1994.)
4(c)	Infodata Systems Inc. 1981 Incentive Stock Option Plan. (Incorporated herein by reference to Exhibit 10 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1983.)
5	Legal opinion, dated June 13, 1995, of Freedman, Levy, Kroll & Simonds, counsel to the Company, as to the legality of shares offered.
23(a)	Consent of Arthur Andersen LLP.
23(b)	Consent of Freedman, Levy, Kroll & Simonds. (Included in Exhibit 5 hereto.)
24	Power of Attorney. (Included on signature page of this Registration

Statement.)

Item 9. Undertakings.

1. The Company hereby undertakes:

(a) 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;

(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;

Provided, however, that paragraphs (a)(i) and (a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic

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reports filed by the Company pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(b) That, for the purpose 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 such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) 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.

2. The Company hereby undertakes that, for the purpose of determining any liability under the Securities Act of 1933, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be

the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been informed that in the opinion of the Securities 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 Company of expenses incurred or paid by a director, officer or controlling person of the Company 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, the Company 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 and will be governed by the final adjudication of such issue.

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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 the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fairfax, Commonwealth of Virginia, on this 23rd day of May, 1995.

INFODATA SYSTEMS INC.

By: /s/HARRY KAPLOWITZ  
Harry Kaplowitz  
President

#### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints HARRY KAPLOWITZ and DAVID A. KARISH his true and lawful attorneys-in-fact and agents, each acting alone, with full powers of substitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform to all intents and purposes as he might or could do in person,

hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement or amendment thereto has been signed below by the following persons in the capacities and on the dates indicated:

Signature -----	Title -----	Date ----
/s/RICHARD T. BUESCHEL Richard T. Bueschel	Chairman of the Board	May 23, 1995
/s/LAURENCE C. GLAZER Laurence C. Glazer	Director	May 23, 1995
/s/HARRY KAPLOWITZ Harry Kaplowitz	President and Director (Principal Executive Officer)	May 23, 1995
/s/ROBERT M. LEOPOLD Robert M. Leopold	Director	May 23, 1995
/s/ISAAC M. POLLAK Isaac M. Pollak	Director	May 23, 1995
/s/MILLARD H. PRYOR, JR. Millard H. Pryor, Jr.	Director	May 23, 1995
/s/DAVID A. KARISH David A. Karish	Senior Vice President, Secretary/Treasurer (Principal Financial and Accounting Officer)	May 23, 1995



## EXHIBIT INDEX

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23(a)	Consent of Arthur Andersen LLP.
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## INFODATA SYSTEMS INC.

## 1995 STOCK OPTION PLAN

## 1. Purpose

Infodata Systems Inc. (the "Company"), by means of this 1995 Stock Option Plan (the "Plan"), desires to afford certain of its directors, officers and certain selected employees, consultants and the officers and certain selected employees of any subsidiary thereof now existing or hereafter formed or acquired, an opportunity to acquire a proprietary interest in the Company, and thus to create in such persons an increased interest in and a greater concern for the welfare of the Company and any subsidiary. The Plan is the successor to the Company's Incentive Stock Option Plan and Non-Qualified Stock Option Plan that were approved by the Company's shareholders in 1991 and 1992, respectively (the "Prior Plans"). As used in the Plan, the term "subsidiary" shall mean any entity in which the Company, directly or indirectly, owns a controlling interest.

The stock options described in Sections 6 and 7 hereof (the "Options"), and the shares of common stock, par value \$.03 per share, of the Company (the "Common Stock") acquired pursuant to the exercise of such Options are a matter of separate inducement and are not in lieu of any salary or other compensation for services.

The Options granted under Section 6 hereof are intended to be either incentive stock options ("Incentive Options") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or options that do not meet the requirements for Incentive Options ("Non-Qualified Options"), but the Company makes no warranty as to the qualification of any Option as an Incentive Option.

## 2. Administration

The Plan shall be administered by the Compensation Committee, or any successor thereto, of the Board of Directors of the Company or by such other committee as determined by the Board (the "Committee"). The Committee shall consist of not less than two members of the Board of Directors of the Company, each of whom shall qualify as a "disinterested person" to administer the Plan within the meaning of Rule 16b-3, as amended, or other applicable rules under Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Committee shall administer the Plan so as to conform at all times with the provisions of Rule 16b-3 promulgated under the Exchange Act. A majority of the Committee shall constitute a quorum, and subject to the provisions

of Section 5 hereof, the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved unanimously in writing by the Committee, shall be the acts of the Committee.

The Committee may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ attorneys, consultants, accountants, or other persons and the Committee, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all persons who have received grants under the Plan, the Company and all other interested persons. No member or agent of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan and all members and agents of the Committee shall be fully protected by the Company in respect of any such action, determination or interpretation.

### 3. Shares Available

Subject to the adjustments provided in Section 9 hereof, the maximum aggregate number of shares of Common Stock which may be purchased pursuant to the exercise of Options granted under the Plan shall not exceed 433,333. Such amount includes the 333,333 shares (giving effect to the one-for-three reverse split of the Common Stock effected April 27, 1994) previously authorized for possible issuance under the Prior Plans. If, for any reason, any shares as to which Options have been granted cease to be subject to purchase thereunder, including without limitation the expiration of such Options, the termination of such Options prior to exercise or the forfeiture of such Options, such shares thereafter shall be available for grants to such individual or other individuals under the Plan. Options granted under the Plan may be fulfilled in accordance with the terms of the Plan with either authorized and unissued shares of Common Stock or issued shares of such Common Stock held in the Company's treasury or both, at the discretion of the Company.

### 4. Eligibility and Bases of Participation

Grants under the Plan (i) may be made, pursuant to Section 6 hereof, to certain selected employees and officers (but not to any director who is not also an employee) of the Company or any subsidiary thereof who are regularly employed on a salaried basis and who are so employed on the date of such grant (the "Officer and Certain Selected Employee Participants"); (ii) may be made, pursuant to Section 6 hereof, to directors of the Company, other

than Committee Participants (as defined below), who are not employees and who are retained by the Company in such capacity on the date of such grant (the "Director Participants"); (iii) may be made, pursuant to Section 6 hereof, to consultants or advisors, provided that the services rendered by such consultants or advisors shall not be in connection with the offer or sale of securities in a capital-raising transaction (the "Consultant Participants") (the Officer and Certain Selected Employee Participants, Director Participants and Consultant Participants are hereinafter collectively referred to as the "Grant Participants"); and (iv) may be made, pursuant to Section 7 hereof, to individuals who serve on the Committee or have been named to serve on the Committee in the future (the "Committee Participants").

## 5. Authority of Committee

Subject to and not inconsistent with the express provisions of the Plan and the Code, the Committee shall have plenary authority, in its sole discretion, to:

- a. other than with respect to Committee Participants, determine the persons to whom Options shall be granted, the time when such Options shall be granted, the number of shares of Common Stock underlying each Option, the purchase price or exercise price of each Option, the restrictions to be applicable to Options and the other terms and provisions thereof (which need not be identical);
- b. provide an arrangement through registered broker-dealers whereby temporary financing may be made available to an optionee by the broker-dealer for the purpose of assisting the optionee in the exercise of an Option;
- c. establish procedures for an optionee to pay the exercise price of an Option in whole or in part by delivering that number of shares of Common Stock owned by such optionee; or for the collection of any taxes required by any government to be withheld or otherwise deducted and paid by the Company or any subsidiary in respect of the issuance or disposition of Common Stock acquired pursuant to the exercise of an Option granted hereunder, which procedures may include payment in whole or in part through the delivery of shares of Common Stock owned by the optionee valued on the basis of the Fair Market Value (as defined in Section 11 hereof) on the date preceding such exercise;
- d. prescribe, amend, modify and rescind rules and regulations relating to the Plan;
- e. make all determinations specified in or permitted by the

Plan or deemed necessary or desirable for its administration or for the conduct of the Committee's business; and

- f. establish any procedures determined to be appropriate in discharging its responsibilities under the Plan.

## 6. Stock Options for Grant Participants

The Committee shall have the authority, in its sole discretion to grant Incentive Options or Non-Qualified Options or both Incentive Options and Non-Qualified Options to Grant Participants (any such Options are hereinafter collectively referred to as the "Participant Options") during the period beginning on the date on which the Plan is approved by the holders of a majority of the Company's outstanding shares of Common Stock and Preferred Stock, voting as a class (the "Effective Date") and ending on the tenth anniversary of the Effective Date (the "Termination Date"). Notwithstanding anything contained herein to the contrary, Incentive Options may be granted only to Officer and Certain Selected Employee Participants. As a condition to the granting of any Option, the Committee shall require that the person receiving such Option agree not to sell or otherwise dispose of any Common Stock acquired pursuant to such Option for a period of six months following the date of the grant of such Option. The terms and conditions of the Participant Options shall be determined from time to time by the Committee; provided, however, that the Participant Options granted under the Plan shall be subject to the following:

- a. **Exercise Price.** The exercise price for each share of Common Stock purchasable under any Participant Option granted hereunder shall be such amount as the Committee, in its best judgment, shall determine to be not less than 100% of the Fair Market Value (as defined in Section 11 hereof) per share on the date the Participant Option is granted; provided, however, that in the case of an Incentive Option granted to a person who, at the time such Incentive Option is granted, owns shares of capital stock of the Company, or of any subsidiary of the Company, having more than 10% of the total combined voting power of all classes of shares of capital stock of the Company or of such subsidiary, the exercise price for each share shall be not less than 110% of the Fair Market Value (as defined in Section 11 hereof) per share on the date the Incentive Option is granted. In determining the stock ownership of a person for purposes of this Section 6, the rules of Section 424(d) of the Code shall be applied and the Committee may rely on representations of fact made to it by such person and believed by it to be true. The exercise price of the Participant Options will be subject to adjustment in accordance with the provisions of Section 9 hereof.

- b. Payment. The exercise price per share of Common Stock with respect to each Participant Option shall be payable at the time the Participant Option is exercised. Such price shall be payable in cash, which may be paid by wire transfer in immediately available funds, by check, by a commitment by a broker-dealer to pay to the Company that portion of any sale proceeds receivable by the optionee upon exercise of a Participant Option or by any other instrument acceptable to the Company or, in the discretion of the Committee, by delivery to the Company of shares of Common Stock. Shares delivered to the Company in payment of the exercise price shall be valued at the Fair Market Value (as defined in Section 11 hereof) of the Common Stock on the business day immediately preceding the date of the exercise of the Participant Option.
- c. Exercisability of Participant Options. Subject to this Section 6 and Section 8 hereof, each Participant Option shall vest and become exercisable on the dates and in the amounts set forth in the particular stock option agreement between the Company and the optionee; provided, however, that a Participant Option shall expire not later than five years from the date such Option is granted. The right to purchase shares shall be cumulative so that when the right to purchase any shares has accrued, such shares or any part thereof may be purchased at any time thereafter until the expiration or termination of the Participant Option.
- d. Death. In the event of the death of an optionee, all Participant Options held by such optionee on the date of such death shall vest in full and become immediately exercisable. Upon such death, the legal representative of such optionee, or such person who acquired such Participant Options by bequest or inheritance or by reason of the death of the optionee, shall have the right for one year after the date of death (but not after the expiration or termination of the Participant Options), to exercise such optionee's Participant Options with respect to all or any part of the shares of Common Stock subject thereto.
- e. Disability. If the employment of an optionee is terminated because of Disability (as defined in Section 11 hereof), all Participant Options held by such optionee on the date of such termination shall vest in full and become immediately exercisable. Such optionee shall have the right for one year after the date of such termination (but not after the expiration or termination of the Participant Options), to exercise such optionee's Participant Options with respect to all or any part of the shares of Common Stock subject thereto.

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- f. Retirement. In the event the employment of an Officer and Certain

Selected Employee Participant is terminated by reason of the Retirement (as defined in Section 11 hereof) of the optionee, all Participant Options held by such optionee on the date of such termination shall vest in full and become immediately exercisable. Such optionee shall have the right for three months after the date of such termination (but not after the expiration or termination of the Participant Options), to exercise such optionee's Participant Options with respect to all or any part of the shares of Common Stock subject thereto. The Committee, in its discretion, shall determine whether an optionee's employment was terminated by reason of Retirement and whether such optionee is entitled to the treatment afforded by this subsection f.

- g. Other Termination. If the employment of an Officer and Certain Selected Employee Participant is terminated for any reason other than those specified in subsections d, e, and f of this Section 6, such optionee shall have the right for 30 days after the date of such termination (but not after the expiration or termination of the Participant Options), to exercise such optionee's Participant Options with respect to all or any part of the shares of Common Stock which such optionee was entitled to purchase immediately prior to the time of such termination.
- h. Cessation of Directorship. In the event a Director Participant shall cease to be a director of the Company, such optionee shall have the right for 90 days after the date of such cessation (but not after the expiration or termination of the Participant Options), to exercise such optionee's Participant Options with respect to all or any part of the shares of Common Stock subject thereto.
- i. Maximum Exercise. To the extent the aggregate Fair Market Value (as defined in Section 11 hereof) of Common Stock (determined at the time of the grant) with respect to which Incentive Options are exercisable for the first time by an optionee during any calendar year under all plans of the Company or any subsidiary, exceeds \$100,000, or such other amount as may be prescribed under Section 422 of the Code or applicable regulations or rulings from time to time, the excess thereof shall be treated as Non-Qualified Options and not as Incentive Options.

## 7. Stock Option Grants to Committee Participants

During the term of the Plan, on the date that a director of the Company commences service on the Committee (which in the case of the initial members of the Committee shall be deemed to be the

Effective Date), and on the date of any subsequent annual meeting of the holders of the Common Stock at which a director is elected and appointed or reappointed to serve on the Committee, such Committee Participant automatically shall be granted a Non-Qualified Option to purchase 2,000 shares of Common Stock, which Non-Qualified Option, except as otherwise provided in this Section 7 or Section 8 hereof, shall become fully exercisable immediately upon grant as to all of the shares covered thereby. (A Non-Qualified Option granted to a Committee Participant pursuant to this Section 7 is referred to as a "Committee Option".) As a condition to the granting of any Committee Option, the person receiving such Committee Option shall agree not to sell or otherwise dispose of any Common Stock acquired pursuant to such Option for a period of six months following the date of the grant of such Option. The terms and conditions of the Committee Options shall be as follows:

- a. Option Price. The exercise price of each share of Common Stock purchasable under any Committee Options shall be such amount as the Committee, in its best judgment, shall determine to be 100% of the Fair Market Value (as defined in Section 11 hereof) per share at the date the Committee Option is granted.
- b. Payment. The exercise price per share of Common Stock with respect to each Committee Option and any withholding tax due in connection with such exercise may be paid by any of the methods described under Section 6b hereof.
- c. Exercisability. Except as provided in subsection d of this Section 7, no Committee Option shall be exercisable after the earlier of (i) the expiration of five years from the date such Committee Option is granted and (ii) 90 days after such Committee Participant ceases for any reason to be a director of the Company.
- d. Death. In the event of the death of any Committee Participant, the estate of the Committee Participant shall have the right for one year after the date of death (but not after the expiration or termination of such Committee Options), to exercise such Committee Participant's Committee Options with respect to all or any part of the shares of Common Stock subject thereto.
- e. Amendment. The provisions of this Section 7 shall not be amended more than one time in any six-month period, other than to comport with any amendments to the Code, the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations thereunder.



## 8. Change of Control

Notwithstanding any provision herein to the contrary, upon the occurrence of an event constituting a Change of Control (as defined in Section 11 hereof), all Options granted under the Plan immediately shall become fully exercisable.

## 9. Adjustment of Shares

In the event the outstanding shares of Common Stock shall be increased or decreased or changed into or exchanged for a different number of kind of shares of stock or other securities of the Company or another corporation by reason of any consolidation, merger, combination, liquidation, reorganization, recapitalization, stock dividend, stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or other like change in capital structure of the Company, the number or kind of shares or interests subject to an Option and the per share price or value thereof shall be appropriately adjusted by the Committee at the time of such event. Any fractional shares or interests resulting from such adjustment shall be eliminated. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Option shall comply with the rules of Section 424(a) of the Code and (ii) in no event shall any adjustment be made that would result in an Incentive Option failing to be treated as an "incentive stock option" for purposes of Section 422 of the Code. In addition, in such event the Board of Directors of the Company shall appropriately adjust the number of shares of Common Stock for which Options may be granted under the Plan.

## 10. Miscellaneous Provisions

- a. Assignment or Transfer. No grant of any "derivative security" (as defined by Rule 16a-1(c) under the Exchange Act) made under the Plan or any rights or interests therein shall be assignable or transferable by an optionee except by will or the laws of descent and distribution or, except as to Incentive Options, pursuant to a qualified domestic relations order as defined in the Code. During the lifetime of an optionee, Options granted hereunder shall be exercisable only by the optionee or the optionee's guardian or legal representative.
- b. Investment Representation. If a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Common Stock issuable upon exercise of an Option is not in effect at the time such Option is exercised, the Company may require, for the sole purpose of complying with the Securities Act, that prior to delivering such Common Stock to the exercising optionee such optionee must

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deliver to the Secretary of the Company a written statement (i)

representing that such Common Stock is being acquired for investment only and not with a view to the resale or distribution thereof, (ii) acknowledging that such Common Stock may not be sold unless registered for sale under the Securities Act or pursuant to an exemption from such registration and (iii) agreeing that the certificates evidencing such Common Stock shall bear a legend to the foregoing effect.

- c. Costs and Expenses. The costs and expenses of administering the Plan shall be borne by the Company and shall not be charged against any Option nor to any person receiving an Option.
- d. Funding of Plan. The Plan shall be unfunded. The Company shall not be required to make any segregation of assets to assure the satisfaction of any Option under the Plan.
- e. Other Incentive Plans. The adoption of the Plan does not preclude the adoption by appropriate means of any other incentive plan for officers, directors or employees.
- f. Effect on Employment. Nothing contained in the Plan or any agreement related hereto or referred to herein shall affect, or be construed as affecting, the terms of employment of any Grant Participants except to the extent specifically provided herein or therein. Nothing contained in the Plan or any agreement related hereto or referred to herein shall impose, or be construed as imposing, an obligation on (i) the Company or any subsidiary to continue the employment of any Grant Participant or (ii) any Grant Participant to remain in the employ of the Company or any subsidiary.
- g. Termination or Suspension of the Plan. The Board of Directors may at any time suspend or terminate the Plan. The Plan, unless sooner terminated under Section 12 of the Plan or by action of the Board of Directors, shall terminate at the close of business on the Termination Date. Options may not be granted while the Plan is suspended or after it is terminated. Rights and obligations under any Option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except with the consent of the person to whom the Option was granted. The power of the Committee to construe and administer any Option granted prior to the termination or suspension of the Plan nevertheless shall continue after such termination or during such suspension.

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- h. Savings Provision. With respect to persons subject to Section 16 of the Exchange Act, the transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act. To the extent any provision of the Plan or

action by the Committee fails so to comply, it shall be deemed null and void to the extent permitted by law.

- i. Partial Invalidity. The invalidity or illegality of any provision herein shall not be deemed to affect the validity of any other provision.

## 11. Definitions

- a. "Fair Market Value", as it relates to the Common Stock, shall mean the average of the high and low sale prices of such Common Stock on the date such determination is required herein, or if there were no sales on such date, the average closing bid and asked prices, as reported on the national securities exchange on which the Company's Common Stock is listed or, in the absence of such listing, on the Nasdaq National Market or Small Cap Market or, if such Common Stock is not at the time listed on a national securities exchange or traded on the Nasdaq National Market or Small Cap Market, the value of such Common Stock on such date as determined in good faith by the Committee.
- b. "Disability" shall have the meaning set forth in Section 22(e)(3) of the Code.
- c. "Change of Control" shall be deemed to have occurred if, subsequent to the Effective Date of this Plan, any "person" (as such term is defined in Section 13(d) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of either (x) a majority of the Common Stock or (y) securities of the Company representing a majority of the combined voting power of the Company's then outstanding voting securities.
- d. "Retirement" shall mean the date upon which a Grant Participant, having attained an age as may be determined by the Committee in its sole discretion, terminates his employment with the Company or any subsidiary, provided that such Grant Participant has been employed by the Company or any subsidiary.

## 12. Amendment of Plan

The Board of Directors of the Company shall have the right to amend, modify, suspend or terminate the Plan at any time, provided

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that no amendment shall be made without shareholder approval which shall (i) increase the total number of shares of the Common Stock of the Company which may be issued and sold pursuant to Options granted under the Plan (except for increases due to adjustments in accordance with Section 9 hereof), (ii)

materially increase the benefits accruing to participants under the Plan, (iii) decrease the minimum exercise price in the case of an Incentive Option or (iv) materially modify the provisions of the Plan relating to eligibility with respect to Options. In no event may the Plan be amended in any way that would retroactively impair the Committee's discretion. The Board of Directors shall be authorized to amend the Plan and the Options granted thereunder (A) to qualify such Options as "incentive stock options" within the meaning of Section 422 of the Code or (B) to comply with Rule 16b-3 (or any successor rule) under the Exchange Act. No amendment, modification, suspension or termination of the Plan, without the consent of the holder thereof, shall adversely alter or impair any Options previously granted under the Plan.

### 13. Effective Date

The Plan shall become effective on the Effective Date. Subject to the right of the Board of Directors to terminate the Plan at any time pursuant to Section 12 hereof, the Plan shall remain in effect until the earlier of (i) the date that Options covering all shares of Common Stock issuable under the Plan have been granted or (ii) the Termination Date.

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June 13, 1995

Infodata Systems Inc.  
12150 Monument Drive, Suite 400  
Fairfax, Virginia 22033

Re: Registration Statement on Form S-8

Gentlemen:

We have represented Infodata Systems Inc. (the "Company") in connection with its Registration Statement on Form S-8 being filed today with the Securities and Exchange Commission (together with all exhibits thereto, the "Registration Statement"). The Registration Statement relates to an offering by the Company of up to 464,984 shares of the Company's common stock, par value \$.03 per share, (the "Shares") upon the exercise of options and/or warrants under the Company's 1995 Stock Option Plan, 1987 Stock Warrant Purchase Plan and 1981 Incentive Stock Option Plan (collectively, the "Plans").

We have examined (1) the Articles of Incorporation of the Company, (2) the By-Laws of the Company, (3) the Registration Statement, (4) the Plans and (5) such other corporate records, certificates, documents and other instruments as in our opinion are necessary or appropriate in connection with expressing the opinions set forth below.

Based upon the foregoing, it is our opinion that:

1. The Company is a corporation duly organized and existing under the laws of the State of Virginia.
2. When the following events shall have occurred:
  - (a) the Registration Statement is filed, at which time it will become effective under the Securities Act of 1933, pursuant to General Instruction D to Form S-8, and

(b) the Shares shall have been paid for and issued in accordance with the terms of the Plans,

the Shares thus sold will be legally issued, fully paid and non-assessable.

This firm hereby consents to the filing of this opinion as Exhibit 5 to the Registration Statement.

Sincerely,

FREEDMAN, LEVY, KROLL & SIMONDS

CONSENT

We consent to the incorporation by reference in the Registration Statement pertaining to the shares of common stock of Infodata Systems Inc. of our report dated February 14, 1995, relating to the consolidated financial statements and schedules of Infodata Systems Inc. included in its Form 10-KSB for the year ended December 31, 1994, as filed with the Securities and Exchange Commission, and to the reference to us under the caption "Experts" in the prospectus relating thereto.

/s/Arthur Andersen LLP  
Arthur Andersen LLP

Washington, D.C.  
June 12, 1995