

Schedule 13D

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. inapplicable)

National Vision Inc
(Name of Issuer)

Common Stock
(Title of Class of Securities)

63845P101
(CUSIP Number)

National Vision Inc
296 Grayson Hwy
Lawrenceville, GA 30045
(770) 822-3600

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

September 28, 2001
(Date of Event which Requires Filing of this Statement)
If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []
Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See 240.13d-7 for other parties to whom copies are to be sent.
* 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 disclosures provided in a prior cover page.
The information required on 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).

CUSIP No. 63845P101

1.Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Zurich Scudder Investments, Inc (Tax I.D. 13 3241232)

2.Check the Appropriate Box if a Member of a Group (See Instructions)

(a)_____

(b)_X_

3.SEC Use Only

4.Source of Funds (See Instructions): SC

5.Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6.Citizenship or Place of Organization: Delaware

Number of Shares Beneficially Owned by Each Reporting Person With

7.Sole Voting Power: 1,264,817

8.Shared Voting Power: 0

9.Sole Dispositive Power: 1,264,817

10.Shared Dispositive Power: inapplicable

11.Aggregate Amount Beneficially Owned by Each Reporting Person: 1,264,817

12.Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13.Percent of Class Represented by Amount in Row (11): 25.3%

14.Type of Reporting Person (See Instructions): IA

Item 1.Security and Issuer

The class of equity securities to which this statement on Schedule 13D (this "Statement") relates is the common stock, par value \$0.01 per share (the "Stock"), of National Vision, Inc, formerly known as Vista Eyecare, Inc. (the "Issuer"). The principal executive offices of the Issuer are located at 296 Grayson Highway, Lawrenceville, GA 30045.

Item 2.Identity and Background

Zurich Scudder Investments, Inc (ZSI) is an investment counsel firm, the predecessor of which is Scudder, Stevens & Clark, Inc. Scudder, Stevens & Clark was established as a partnership in 1919 and reorganized to a corporation on June 28, 1985. On December 31, 1997 Zurich Insurance Company acquired a majority interest in the corporation renaming the corporation Scudder Kemper Investments, Inc. On January 1, 2001, Scudder Kemper Investments, Inc. changed its name to Zurich Scudder Investments, Inc., hereinafter referred to as the "Reporting Person".

The principal business address for Zurich Scudder Investments, Inc. is 345 Park Avenue, New York, NY 10154. The corporation is organized in Delaware.

During the last five years, the Reporting Person has neither been convicted in a criminal proceeding, nor has such Reporting Person been party to a civil proceeding of a judicial or administrative body of competent jurisdiction which resulted in a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3.Source and Amount of Funds or Other Consideration

On May 31, 2001, National Vision, Inc. emerged from bankruptcy pursuant to their First Amended Joint Plan of Reorganization Under Chapter 11, Title 11,

United States Code filed by Vista Eyecare, Inc. (the "Plan"). Pursuant to the Plan and the reorganization, National Vision, formerly Vista Eyecare, issued a total of 5,000,000 shares of Common Stock to their formerly unsecured creditors. As a result, Zurich Scudder received 1,274,817 shares of Common Stock.

Item 4.Purpose of Transaction

As a result of the Plan implemented upon the Issuer's emergence from bankruptcy, creditors with a large percentage of unsecured debt were offered common stock in exchange for the debt. This transaction was approved for investment purposes.

Item 5.Interest in Securities of the Issuer

Zurich Scudder is deemed, pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended to be the beneficial owner of an aggregate of 1,264,817 share of the Common Stock as a result of the Issuer emerging from bankruptcy pursuant to their First Amended Joint Plan or Reorganization Under Chapter 11, Title 11, United States Code on May 31, 2001 (the "Plan").

Based on the Issuer's Form S-3 filed September 2001, there are 5,000,000 shares of the common stock issued and outstanding as a result of the Plan. The following chart represents the number of shares held by the Reporting Person and the percentage deemed to be beneficially owned by such Reporting Person with sole voting and dispositive power, as calculated pursuant to Rule 13d-3 of the Exchange Act as of September 28, 2001:

Reporting Person	Number of Shares Held	Percentage of Ownership
Zurich Scudder Investments, Inc	1,264,817	25.3%

Except as set forth herein, the Reporting Person has not effected any transactions in shares of common stock during the past 60 days.

Item 6.Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The Reporting Person has entered into a Lock-Up agreement with National Vision wherein the Reporting Person, as an owner of 5% or more of the Stock, has agreed not to sell their Stock for six months, and to sell it only upon the written consent of the Board of Directors for an additional 30 months thereafter. The Reporting Person and the Issuer have also entered into a Registration Rights Agreement obligating the Reporting Person to register their shares of National Vision.

Item 7.Material to Be Filed as Exhibits

The following exhibits are filed herein:

Exhibit 1. Form S-3 Registration Statement dated September 2001 for National Vision, Inc.

Exhibit 2. Lock-Up Agreement dated May 31, 2001

Exhibit 3. Registration Rights Agreement by and among National Vision, Inc. dated May 31, 2001

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

Signature

Robert Rudell, Chief Operating Officer

Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement: provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact
constitute Federal criminal violations (See 18 U.S.C. 1001)

<http://www.sec.gov/divisions/corpfin/forms/13d.htm>
Last update: 02/22/2000

LOCK-UP AGREEMENT
May 31, 2001

National Vision, Inc.
296 Grayson Highway
Lawrenceville, Georgia 30045

Ladies and Gentlemen:

As a five percent (5%), or greater, holder (a "5% Holder") of common stock (the "Common Stock") of National Vision, Inc., a Georgia corporation (the "Company"), issued under the terms of the First Amended Joint Plan of Reorganization Under Chapter 11, Title 11, United States Code, Filed By Vista Eyecare, Inc. and Certain of Its Debtor Subsidiaries (the "Reorganization Plan"), for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned agrees (i) that for the period commencing on the Effective Date (as defined in the Reorganization Plan) and ending on the six month anniversary of the Effective Date the undersigned will not offer, sell, contract to sell, grant an option to purchase, or otherwise dispose of any shares of Common Stock and (ii) that for the period commencing on the date immediately succeeding the six month anniversary of the Effective Date and ending on the 36 month anniversary of the Effective Date the undersigned will not, without the prior written consent of the Company's Board of Directors, offer, sell, contract to sell, grant an option to purchase, or otherwise dispose of any shares of Common Stock (it being understood and agreed that such consent shall be withheld only if (in the prompt determination of the Company's Board of Directors) any such sale, contract to sell, grant of option, or other disposition of Common Stock, after giving effect thereto, (i) would result in a material adverse tax consequence to the Company or (ii) would materially increase the likelihood of the occurrence of a material adverse tax consequence to the Company (as determined after giving effect to other sales of Common Stock occurring on or after the Effective Date and prior to the date that such determination is made, if any)). Subject to the terms and conditions hereof, the undersigned authorizes the Company to cause the transfer agent to decline to transfer and/or to note stop transfer restrictions on the transfer books and records of the Company with respect to any shares of Common Stock and any securities convertible into, exercisable, or exchangeable for Common Stock for which the undersigned is the record holder and, in the case of any such share or securities for which the undersigned is the beneficial but not the record holder, agrees to cause the record holder to cause the transfer agent to decline to transfer and/or to note stop transfer restrictions on such books and records with respect to such shares or securities.

This Lock-Up Agreement shall terminate upon the earlier to occur of (i) the sale (in accordance herewith) of all of the 5% Holder's Common Stock and (ii) the 36 month anniversary of the Effective Date.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into the agreements set forth herein, and that, upon request, the undersigned will execute any additional documents necessary in connection with enforcement hereof.

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of New York but without giving effect to the conflicts of laws principles thereof.

This Lock-Up Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Lock-Up Agreement may be executed by facsimile signatures.

Very truly yours,

SCUDDER HIGH YIELD SERIES -
SCUDDER HIGH YIELD FUND*

By: /s/ Harry E. Resis, Jr.
Name: Harry E. Resis, Jr.
Title: Vice President

Accepted, Acknowledged
and Agreed:

National Vision, Inc.
By: /s/ Mitchell Goodman
Name: Mitchell Goodman
Title: Sr. Vice President and General Counsel

* A copy of the Agreement and/or Declaration of Trust of the referenced trust or fund (the "Fund") is on file with the Secretary of State of The Commonwealth of Massachusetts, and notice is hereby given, and by your acceptance hereof you acknowledge, that this instrument is executed on behalf of the Fund and that the obligations of or arising out of this instrument are not binding upon any of the trustees, officers or shareholders individually but are binding only upon the assets and property of the Fund. If this instrument is executed by a Series of the Fund, you also acknowledge that the obligations of or arising out of this instrument are not binding upon the assets and property of any Series of a fund other than the Series executing this instrument.

REGISTRATION RIGHTS AGREEMENT

By and Among

NATIONAL VISION, INC.

and

THE PERSONS LISTED ON THE
SIGNATURE PAGES HEREOF

Dated as of May 31, 2001

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT ("this **Agreement**"), dated as of May 31, 2001, by and among National Vision, Inc. (f/k/a Vista Eyecare, Inc.), a Georgia corporation (the "**Company**"), the Holders (as hereinafter defined) of Registrable Securities (as hereinafter defined) who are parties to this Agreement and the Additional Holders (as hereinafter defined) who subsequently become party to this Agreement.

RECITALS

A. This Agreement is entered into pursuant to, and as authorized by, that First Amended Joint Plan of Reorganization of Vista Eyecare, Inc., dated April 13, 2001 (the "**Plan**"), which Plan was confirmed on May 18, 2001 by order of the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, in Case No. 00-65214, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof.

B. Pursuant to the Plan, the Company will issue to the Holders in partial exchange for their claims against the Company, the following securities: (i) the Companys 12% Senior Secured Notes due 2009 (the "**Notes**"), pursuant to that Indenture dated as of May 31, 2001, between the Company and State Street Bank and Trust Company, as Trustee, and (ii) shares of the Companys common stock, par value \$0.01 (the "**Common Stock**").

C. In connection with, and as authorized by the Plan, and to induce the Holders to vote in favor of the Plan, the Company has agreed to provide the registration rights (and in connection therewith to take certain other actions as) set forth in this Agreement for the benefit of the Holders as provided herein.

AGREEMENTS

In consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and affirmed, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized terms (in their singular and plural forms, as applicable) have the following meanings:

"*Action*" has the meaning assigned to such term in Section 7.3.

"*Additional Holders*" means holders of Registrable Securities who, from time to time, agree to bound by the terms hereof and become Holders for purposes of this Agreement pursuant to Section 11.2 hereof.

"*Adverse Effect*" has the meaning assigned to such term in Section 2.5.

"*Affiliate*" of a Person means any Person that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, such other Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"*Agreement*" has the meaning assigned to such term in the introductory paragraph to this Agreement.

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the Borough of Manhattan, The City of New York are authorized or obligated by law or executive order to close.

"*Commission*" means the United States Securities and Exchange Commission and any successor United States federal agency or governmental authority having similar powers.

"*Common Stock*" has the meaning assigned to such term in the Recitals hereto.

"*Company*" has the meaning assigned to such term in the introductory paragraph to this Agreement.

"*Company Standstill Period*" has the meaning assigned to such term in Section 5.1.

"*Demand Registration*" has the meaning assigned to such term in Section 2.1.

"*Demand Request*" has the meaning assigned to such term in Section 2.1.

"*Effective Date*" means the Effective Date of (and as defined in) the Plan as confirmed.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the Commission thereunder.

"*Holder*" means any (i) Person who is a signatory hereto, (ii) Permitted Assignee or (iii) Additional Holder.

"*Holder Shelf Offering*" has the meaning assigned to such term in Section 4.2(b).

"*Indemnified Person*" has the meaning assigned to such term in Section 7.1.

"*Indemnitee*" has the meaning assigned to such term in Section 7.3.

"*Inspectors*" has the meaning assigned to such term in Section 6.1(k).

"*Joining Holder*" has the meaning assigned to such term in Section 2.2.

"*Loss*" and "*Losses*" have the meanings assigned to such terms in Section 7.1.

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"*Material Disclosure Event*" means, as of any date of determination, any pending or imminent event relating to the Company, which, in the determination of the Board of Directors of the Company upon advice of counsel (i) requires disclosure of material, non-public information relating to such event in any registration statement so that such registration statement would not be materially misleading, (ii) is otherwise not required to be publicly disclosed at that time (e.g., on Forms 10-K, 8-K, or 10-Q) under applicable federal or state securities laws and (iii) if publicly disclosed at the time of such event, could reasonably be expected to have a material adverse effect on the business, financial condition or prospects of the Company or could reasonably be expected to materially adversely affect a pending or proposed material acquisition, merger, recapitalization, consolidation, reorganization or similar transaction, or negotiations with respect thereto.

"*NASD*" has the meaning assigned to such term in Section 6.1(o) hereto.

"*Nasdaq*" has the meaning assigned to such term in Section 6.1(p) hereto.

"*Notes*" has the meaning assigned to such term in the Recitals hereto.

"*Permitted Assignee*" means any (i) Affiliate of any Holder who acquires Registrable Securities from such Holder or its Affiliates or (ii) any other Person who acquires any Registrable Securities from a Holder and who shall have been designated as a Permitted Assignee by such Holder in a written notice to the Company; provided that the rights of any Person designated as a Permitted Assignee referred to in the foregoing clause (ii) shall be limited if and to the extent provided in such notice.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Plan*" has the meaning assigned to such term in the Recitals to this Agreement.

"*Records*" has the meaning assigned to such term in Section 6.1(k).

The terms "*register*," "*registered*" and "*registration*" mean a registration effected by preparing and filing with the Commission a registration statement on an appropriate form in compliance with the Securities Act, and the declaration or order of the Commission of the effectiveness of such registration statement under the Securities Act.

"*Registrable Securities*" means any (i) shares of Common Stock (such shares, together with any securities issued or issuable in respect thereof by way of a dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise, the "*Registrable Common Securities*") and (ii) Notes (such Notes, together with any securities issued in respect of or in exchange therefor, the "*Registrable Debt Securities*"), in each case, issued to the Holders pursuant to the Plan or otherwise acquired by a Holder from time to time after the date hereof ("*Additional Registrable Securities*"); provided, however, that as to any Registrable Securities, such securities shall cease to constitute "*Registrable Securities*" for purposes of this Agreement if and when (v) a registration statement with respect to the sale of such securities shall have been declared effective by the Commission

and such securities shall have been sold pursuant thereto in accordance with the intended plan and method of distribution therefor set forth in the final prospectus forming part of such registration statement or (w) such securities are no longer outstanding or (x) such securities have been distributed in accordance with the provisions of Rule 144 (or any similar provision then in force) under the Securities Act or (y) in the reasonable judgment of the Holder, such securities may be distributed to the public free from any restrictions imposed by Rule 144 and without the requirement of the filing of a registration statement covering such securities or (z) such securities are no longer owned by a Holder.

"*Requesting Holder*" has the meaning assigned to such term in Section 2.1.

"*Required Filing Date*" has the meaning assigned to such term in Section 2.1.

"*Required Period*" has the meaning assigned to such term in Section 4.2(a).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations of the Commission thereunder.

"*Shelf Registration Statement*" means a shelf registration statement under Rule 415 under the Securities Act .

"*Shelf Request*" has the meaning assigned to such term in Section 4.1(b).

"*Suspension Notice*" has the meaning assigned to such term in Section 5.2.

"*Suspension Period*" has the meaning assigned to such term in Section 5.2.

The words "*include*," "*includes*" and "*including*," when used in this Agreement, shall be deemed to be followed by the words "without limitation."

2. Demand Registration.

2.1 Request for Registration. Subject to the provisions contained in this Section 2.1, beginning on the date 120 days after the Effective Date, any Holder or Holders may from time to time request (each, a "**Requesting Holder**") in writing (a "**Demand Request**") that the Company effect the registration under the Securities Act of that number or principal amount, as the case may be, of Registrable Securities requested and owned by the Requesting Holder(s), specifying the intended method of distribution thereof if other than an underwritten offering (a "**Demand Registration**"); *provided, however*, that (if Demand Requests have been delivered by Holders of less than all of the Registrable Common Securities or Registrable Debt Securities, as applicable, outstanding at the time of such requests) Holders of Registrable Securities of not less than (i) the greater of (A) 15% of the Registrable Common Securities outstanding at the time of such request (subject to adjustment for any subdivision or combination of Registrable Common Securities), and (B) \$10,000,000 in anticipated aggregate offering price of Registrable Common Securities, or (ii) \$25,000,000 in aggregate principal amount of Registrable Debt Securities outstanding at the time of such request, shall have delivered Demand Requests; and *provided, further*, that the Company will in no event be required to effect more than (x) two Demand Registrations in any 12-month period or (y) four Demand Registrations, two of which may be

initiated by the Holders with respect to the Registrable Common Securities and two of which may be initiated by the Holders with respect to the Registrable Debt Securities under this Agreement. The Company shall, solely for the purpose of obtaining the consent of sufficient Holders to request a Demand Registration pursuant to this Section 2.1, use its best efforts to provide the Holders with (i) a list of record securityholders of the Company with their respective ownership of Registrable Securities and contact information and (ii) such additional information as the Holders may request in connection therewith, which list and additional information shall be used solely for purposes of this Agreement. Upon receipt of a Demand Request, the Company will cause to be included in a registration statement on an appropriate form under the Securities Act, filed with the Commission as promptly as reasonably practicable but in any event not later than 75 days after receiving a Demand Request (the "**Required Filing Date**"), such Registrable Securities as may be requested by such Requesting Holders in their Demand Request together with any other Registrable Securities of the same class as requested by Joining Holders joining in such request pursuant to Section 2.2. The Company shall use its reasonable best efforts to cause any such registration statement to be declared effective by the Commission as promptly as practicable after such filing but in any event not later than 120 days following the date of the Demand Request.

2.2 Joining Holders. If at any time the Company proposes to register Registrable Securities for the account of the Requesting Holders pursuant to Section 2.1 then (i) the Company shall give, or cause to be given, written notice of such proposed filing to the Holders as soon as practicable (but in no event less than 30 days before the anticipated filing date). Upon the written request of any Holder other than a Requesting Holder, received by the Company no later than the 10th Business Day after receipt by such Holder of the notice sent by the Company (each such Holder a "Joining Holder"), to register, on the same terms and conditions as the securities otherwise being sold pursuant to such Demand Registration, any of its Registrable Securities of the same class as the securities otherwise being sold pursuant to such Demand Registration, the Company will, subject to the terms of this Agreement, use its reasonable best efforts to cause such Registrable Securities to be included in the registration statement proposed to be filed by the Company on the same terms and conditions as any securities of the same class included therein.

2.3 Effective Registration. A registration will not count as a Demand Registration until the related registration statement has been declared effective and has remained effective for at least 60 days following such effective date or for such shorter period ending when all the securities covered thereby have been sold; it being understood that if, after it has become effective, an offering of Registrable Securities pursuant to a registration statement is terminated by any stop order, injunction, or other order of the Commission or other governmental agency or court, such registration pursuant thereto will be deemed not to have been effected and will not count as a Demand Registration.

2.4 Selection of Underwriters. Unless the Requesting Holders otherwise elect (by Holders holding in the aggregate more than (i) 50% of the Registrable Common Securities or (ii) 50% in principal amount of the Registrable Debt Securities, as the case may be, participating in such registration) in their Demand Request pursuant to Section 2.1, all Demand Registrations will be underwritten offerings. With respect to any offering of Registrable Securities pursuant to a Demand Registration in the form of an underwritten offering, the Company shall select an

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investment banking firm of national standing to be one co-lead managing underwriter for the offering, which shall be reasonably acceptable to the Requesting Holders of a majority of the Registrable Securities participating in such registration, and such Holders shall select an investment banking firm of national standing to be the other co-lead managing underwriter, which shall be reasonably acceptable to the Company. Any additional co-managing underwriter shall be selected by the Company.

2.5 Priority on Demand Registrations. No securities to be sold for the account of any Person (including the Company) other than Requesting Holders or Joining Holders shall be included in a Demand Registration unless the lead managing underwriters shall advise the Requesting Holders in writing that the inclusion of such securities will not adversely affect the price or success of the offering (an "**Adverse Effect**"). Furthermore, in the event that the lead managing underwriters shall advise the Requesting Holders in writing that the amount of Registrable Securities proposed to be included in such Demand Registration by Requesting Holders and Joining Holders is sufficiently large (even after exclusion of all securities of any other Person pursuant to the immediately preceding sentence) to cause an Adverse Effect, the number or principal amount, as the case may be, of Registrable Securities to be included in such Demand Registration shall be allocated among all Requesting and Joining Holders pro rata based on the ratio which the number or principal amount, as the case may be, of Registrable Securities each such Holder requests be included bears to the total number or principal amount, as the case may be, of Registrable Securities of all Holders that have been requested be included in such registration; provided that if, as a result of such pro-rata, any Holder shall not be entitled to include in a registration all Registrable Securities of the class that such Holder has requested to be included, such Holder may elect to withdraw its request to include such Registrable Securities in such registration or may reduce the number or principal amount, as the case may be, requested to be included; provided, however, that (x) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (y) such withdrawal or reduction shall be irrevocable.

3. **Piggyback Registrations.**

3.1 Holder Piggyback Registration. If the Company proposes to file a registration statement under the Securities Act with respect to an offering of any securities for the Company's own account (except pursuant to registrations on Form S-4 or any successor form or on Form S-8 or any successor form relating solely to securities issued pursuant to any benefit plan) then (i) the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event (x) later than 20 days after the receipt of a Demand Request pursuant to Section 2.1 hereof, or (y) less than 20 days before the anticipated filing date in the case of any other registration), describing in reasonable detail the proposed registration (including the number and/or principal amount, as the case may be, and class of securities proposed to be registered, the proposed date of filing of such registration statement, any proposed means of distribution of such securities, any proposed managing underwriter(s) of such securities and a good faith estimate by the Company of the proposed maximum offering price of such securities as such price is proposed to appear on the facing page of such registration statement), and offering such Holders the opportunity to register such number and/or principal amount, as the case may be, of Registrable Securities as each such Holder may request. Upon the written request of any Holder, received by the Company no later than 10 Business Days after

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receipt by such Holder of the notice sent by the Company, to register, on the same terms and conditions as the securities otherwise being sold pursuant to such registration, any of such Holders Registrable Securities of the same class as those being registered (which request shall state the intended method of disposition thereof if the securities otherwise being sold are being sold by more than one method of disposition), the Company will use its reasonable best efforts to cause such Registrable Securities as to which registration shall have been so requested to be included in the registration statement proposed to be filed by the Company on the same terms and conditions as any similar securities included therein; *provided, however*, that, notwithstanding the foregoing, the Company may at any time in its sole discretion, or at the request of Holders holding a majority of the Registrable Securities included in a Demand Registration, without the consent of any other Holder, delay or abandon the proposed offering in which any Holder had requested to participate pursuant to this Section 3.1 or cease the filing (or obtaining or maintaining the effectiveness) of or withdraw the related registration statement or other governmental approvals, registrations or qualifications. In such event, the Company shall so notify each Holder that had notified the Company in accordance with this Section 3.1 of its intention to participate in such offering.

3.2 Priority on Piggyback Registrations.

(a) If the Registrable Securities requested to be included in a registration statement by any Holder pursuant to Section 3.1 differ from the type of securities proposed to be registered by the Company, and the managing underwriter(s) for the related underwritten offering advise the Company in writing that due to such differences the inclusion of such Registrable Securities would cause an Adverse Effect, and the Company notifies such Holder in writing of such advice, then (i) the number or principal amount, as the case may be, of such Holders or Holders Registrable Securities to be included in the registration statement shall be reduced to an amount which, in the judgment of such managing underwriter(s), would eliminate such Adverse Effect or (ii) if no such reduction would, in the judgment of such managing underwriter(s), eliminate such Adverse Effect, then the Company shall have the right to exclude all such Registrable Securities from such registration statement provided no other securities are included and offered for the account of any other Person (other than the Company) in such registration statement. Any partial reduction in the number or principal amount, as the case may be, of Registrable Securities to be included in the registration statement pursuant to clause (i) of the immediately preceding sentence shall be effected pro rata based on the ratio which such Holders Registrable Securities bears to the total number or principal amount, as the case may be, of Registrable Securities requested to be included in such registration statement by all Holders who have requested that their securities be included in such registration statement. If the Registrable Securities requested to be included in the registration statement pursuant to Section 3.1 are of the same type as the securities being registered by the Company and the managing underwriter(s) advise the Company in writing that the inclusion of such Registrable Securities would cause an Adverse Effect, and the Company notifies the requesting Holders in writing of such advice, then the Company will be obligated to include in such registration statement, as to each Holder, only a portion of the Registrable Securities such Holder has requested to be registered equal to the ratio which such Holders requested Registrable Securities bears to the total number or principal amount, as the case may be, of Registrable Securities requested to be included in such registration statement by all Holders.

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If after a Demand Request by the Holders pursuant to Section 2.1 hereof, the Company first initiates a proposal to register securities for its own account pursuant to this Article 3, then the Demand Registration requested pursuant to Section 2.1 hereof shall be given priority.

3.3 Withdrawals. Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration statement pursuant to this Article 3 by giving written notice to the Company of its request to withdraw; *provided, however*, that (i) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (ii) such withdrawal shall be irrevocable.

4. Shelf Registration.

4.1 Shelf Requirement and Request.

(a) As promptly as reasonably practicable but in any event not later than 75 days after the date hereof, the Company shall file a Shelf Registration Statement relating to the resale by the Holders of all of the Holders Registrable Securities. The Company shall use all reasonable efforts to cause such registration statement to be declared effective by the Commission as promptly as practicable after such filing but in any event not later than 90 days following such filing date. In addition, as promptly as reasonably practicable following a Holders or Holders request(s) therefor, the Company shall take all actions as are necessary or advisable to permit the resale by such Holder(s) of any Additional Registrable Securities pursuant to Rule 415 under the Securities Act (including, without limitation, such actions as may be required to comply with Rules 413 and 429 thereunder); *provided, however*, that the Company shall not be required to take any such actions unless the Additional Registrable Securities requested to be registered for resale comprise in the aggregate at least \$3,000,000 in anticipated aggregate offering price of Registrable Common Stock or \$3,000,000 in aggregate principal amount of Registrable Debt Securities, as the case may be.

(b) In addition to any Shelf Registration Statement referred to in Section 4.1(a), any Holder or Holders may request in writing (a "**Shelf Request**") that the Company file a Shelf Registration Statement relating to such Holders or Holders Registrable Securities, beginning on the date on which the Company is a registrant entitled to use Form S-3 of the Commission or any successor form thereto, to register such class of Registrable Securities; *provided, however*, that (if Shelf Requests have been delivered by Holders of less than all of the Registrable Common Securities or Registrable Debt Securities, as applicable, outstanding at the time of such requests) (x) the Registrable Common Securities to be included in such Shelf Registration Statement comprise not less than the greater of (A) 10% (subject to adjustment for any subdivision or combination of Registrable Common Securities) of the Registrable Common Securities outstanding on the date of such request, and (B) \$5,000,000 in anticipated aggregate offering price of Registrable Common Securities, and (y) the Registrable Debt Securities to be included in such Shelf Registration Statement comprise not less than \$10,000,000 in aggregate principal amount of the Registrable Debt Securities outstanding at the time of such requests. Upon receipt of such requests, the Company will, as promptly as reasonably practicable but in any event not later than 45 days after such request, file such Shelf Registration Statement. The

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Company shall use all reasonable efforts to cause such registration statement to be declared effective by the Commission as promptly as practicable after such filing but in any event not later than 90 days following the date of the Shelf Request.

4.2 Required Period and Shelf Registration Procedures.

(a) The Company shall (i) cause each Shelf Registration Statement required or requested pursuant to Section 4.1 to include a resale prospectus intended to permit each Holder to sell, at such Holders election, all or part of the Registrable Securities held by such Holder without restriction and (ii)

use its best efforts to prepare and file with the Commission such amendments and post-effective amendments to each such Shelf Registration Statement as may be necessary to keep each such Shelf Registration Statement continuously effective (subject to any Suspension Period(s) referred to below) for a period (the "**Required Period**") ending on the first date on which all of the securities covered by the applicable Shelf Registration Statement no longer constitute Registrable Securities owned by any Holder, and (iii) use its best efforts to cause the resale prospectus to be supplemented by any required prospectus supplement; *provided*, that a registration pursuant to this Article 4 shall not be deemed to have been effected unless it has been declared effective by the Commission and has remained effective for the Required Period, it being understood that if, after it has become effective, an offering of Registrable Securities pursuant to a Shelf Registration Statement is terminated by any stop order, injunction, or other order of the Commission or other governmental agency or court, such registration pursuant thereto will be deemed not to have been effected.

(b) During the period of effectiveness of any Shelf Registration Statement, any Holder shall be entitled to sell all or part of the Registrable Securities registered on behalf of such Holder pursuant to such Shelf Registration Statement ("**Holder Shelf Offering**").

(c) Any Holder may, by written notice to the Company, request that the Company take all reasonable steps necessary to assist and cooperate with such Holder to facilitate a Holder Shelf Offering, subject to the provisions hereof. Such request will specify the number or principal amount, as the case may be, of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof.

5. Standstill and Suspension Periods.

5.1 Company Standstill Period. Except for distributions of Common Stock or Notes pursuant to the Plan, the Company agrees not to, without the prior written consent of the lead managing underwriters for any underwritten offering of Registrable Securities, effect any public sale or distribution of any securities (except securities that may be held by the Company for its own account under the relevant registration statement) the same as or similar to the Registrable Securities, or any securities convertible into or exchangeable or exercisable for any Company securities the same as or similar to the Registrable Securities (except pursuant to registrations on Form S-4 or any successor form, or otherwise in connection with the acquisition of a business or assets of a business, a merger, or an exchange offer for the securities of the issuer or another entity, or registrations on Form S-8 or any successor form relating solely to securities offered pursuant to any benefit plan), during the period commencing 15 days prior to the effective date of the registration statement relating to such Registrable Securities (to the extent timely notified

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in writing by the selling Holders or the underwriters managing such distribution) and ending on the first to occur of (A) the 90th day after such effective date and (B) the end of the public distribution of such Registrable Securities (the "**Company Standstill Period**").

5.2 Suspension Period. The Company may, by notice in writing to each Holder, suspend the Demand Registration rights of the Holder and/or require the Holders to suspend use of any resale prospectus included in any Shelf Registration Statement for any period determined by the Company if there shall occur a Material Disclosure Event (such period, a "**Suspension Period**"). Notwithstanding the foregoing, no Suspension Period shall exceed 45 days in any one instance and be invoked by the Company more than three times in any 12-month period; *provided, however*, that if the Company deems it necessary to file a post-effective amendment to any Shelf Registration Statement in order to comply with Section 4.1 hereof or other information provided by a Holder for inclusion in the prospectus included in any Shelf Registration Statement, then such period of time from the date of filing such post-effective amendment until the date on which the applicable Shelf Registration Statement, as so amended, is declared effective by the Commission shall not be treated as a Suspension Period. Each Holder agrees that, upon receipt of notice from the Company of the occurrence of a Material Disclosure Event (a "**Suspension Notice**"), such Holder will forthwith discontinue any disposition of Registrable Securities pursuant to any Shelf Registration Statement or any public sale or distribution including pursuant to Rule 144 until the earlier of (i) the expiration of the Suspension Period and (ii) such Holders receipt of a notice from the Company to the effect that such suspension has terminated. Any Suspension Notice shall be accompanied by a certificate of the President or any Vice President of the Company confirming the existence of the Material Disclosure Event. If so directed by the Company, such Holder will deliver to the Company (at the Companys expense) all copies, other than permanent file copies, then in such Holders possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such Suspension Notice. In the event of a Suspension Notice, the Company shall, promptly after such time as the related Material Disclosure Event no longer exists, take any and all actions necessary or desirable to give effect to any Holders rights under this Agreement that may have been affected by such notice, including the Holders Demand Registration rights and rights with respect to any Shelf Registration Statement.

5.3 Holder Standstill Period. Each Holder agrees not to, without the prior written consent of the lead managing underwriters for any underwritten offering of securities of the Company the same or similar to the Registrable Securities, or convertible into or exchangeable or exercisable for any such securities, effect any disposition (except securities that may be held by such Holder for his/her own account under the relevant registration statement), pursuant to any Shelf Registration Statement or any public sale or distribution including pursuant to Rule 144, of any Registrable Securities or any securities convertible into or exchangeable or exercisable for any Company securities the same as or similar to the Registrable Securities, during the period commencing 15 days prior to the effective date of any registration statement relating to such Company securities (to the extent timely notified in writing (prior to such Holder giving any Demand Request) by the Company or the underwriters managing such distribution) and ending on the first to occur of (A) the 90th day after such effective date and (B) the end of the public distribution of such Company securities.

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6. Registration Procedures.

6.1 Company Obligations. Whenever the Company is required pursuant to this Agreement to register Registrable Securities, it will (it being understood and agreed that except as otherwise expressly set forth in this Article 6, if (i) pursuant to any other provisions of this Agreement, the Company is held to a higher standard or standards than that or those provided for in this Article 6, such higher standard or standards will govern the conduct of the Company and (ii) any other provision of this Agreement is more favorable to the Holders than the provisions of this Article 6, such other provision shall apply):

(a) provide the Holders with a reasonable opportunity to review and comment on any registration statement to be prepared and filed pursuant to this Agreement prior to the filing thereof with the Commission, and make all changes thereto as any Holder may request in writing to the extent such changes are required, in the reasonable judgment of the Companys counsel, by the Securities Act;

(b) cause any such registration statement and the related prospectus and any amendment or supplement thereto, as of the effective date of such registration statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission promulgated thereunder and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(c) furnish at its expense to the Holders such number of conformed copies of such registration statement and of each such amendment thereto (in each case including all exhibits thereto), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and each supplement thereto), and such number of the documents, if any, incorporated by reference in such registration statement or prospectus, as the Holders reasonably may request;

(d) use its reasonable best efforts to register or qualify the Registrable Securities covered by such registration statement to the extent required under such securities or "blue sky" laws of up to ten states of the United States in the aggregate as the Holders reasonably shall request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to do any and all other acts and things that may be necessary or advisable to enable the Holders to consummate the disposition in such jurisdictions of the Registrable Securities covered by such registration statement, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction in which it is not obligated to be so qualified, or to subject itself to material taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction; and use its reasonable best efforts to obtain all other approvals, consents, exemptions or authorizations from such securities regulatory authorities or governmental agencies as may be necessary to enable such Holders to consummate the disposition of such Registrable Securities;

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(e) immediately notify the Holders, at any time when a prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the occurrence of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which untrue statement or omission requires amendment of the registration statement or supplementing of the prospectus, and, at the request of the Holders, prepare and furnish at its expense to the Holders a reasonable number of copies of a supplement to such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that with respect to Registrable Securities registered pursuant to such registration statement, each Holder agrees that it will not enter into any transaction for the sale of any Registrable Securities pursuant to such registration statement during the time after the furnishing of the Companys notice that the Company is preparing and filing with the Commission a supplement to or an amendment of such prospectus or registration statement;

(f) use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available to holders of its securities, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more than 18 months, beginning with the first month of the first fiscal quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(g) provide and cause to be maintained a transfer agent and registrar for the Registrable Securities covered by such registration statement (which transfer agent and registrar shall, at the Companys option, be the Companys existing transfer agent and registrar) from and after a date not later than the effective date of such registration statement; it being hereby agreed that the Holders shall furnish to the Company such information regarding the Holders and the plan and method of distribution of Registrable Securities intended by the Holders as the Company may from time to time reasonably request in writing and as shall be required by law or by the Commission in connection therewith;

(h) notify the Holders and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a prospectus, prospectus supplement or post-effective amendment related to such registration statement has been filed, and, with respect to such registration statement or any post-effective amendment thereto, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to such registration statement or related prospectus, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

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(i) use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest possible moment;

(j) enter into customary agreements (including underwriting agreements in customary form, which shall include "lock-up" obligations as may be requested by the managing underwriters, not to exceed 120 days in duration (but excluding shares that may be issued pursuant to benefit plans or in connection with mergers or acquisitions) and take such other actions (including using its reasonable efforts to make such road show presentations and otherwise engaging in such reasonable marketing support in connection with any underwritten offering, including without limitation the obligation to make its executive officers available for such purpose if so requested by the managing underwriters for such offering or a majority of the selling Holders) as are reasonably requested by such Holders in order to expedite or facilitate the sale of any Registrable Securities covered by a registration statement pursuant to an underwritten offering in accordance herewith;

(k) make available for inspection by each Holder, any underwriter participating in any disposition pursuant to such registration, and any attorney, accountant or other agent retained by such Holder or any such underwriter (collectively, the "**Inspectors**"), all financial and other records, pertinent corporate documents and properties of the Company and any of its subsidiaries (collectively, the "**Records**") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the officers, directors and employees of the Company to supply all information reasonably requested by any such Inspector in connection with such registration, *provided, however*, that (i) in connection with any such inspection, any such Inspectors shall cooperate to the extent reasonably practicable to minimize any disruption to the operation by the Company of its business and shall comply with all Company site safety rules, (ii) Records and information obtained hereunder shall be used by such Inspectors only to exercise their due diligence responsibility and (iii) Records or information furnished or made available hereunder shall be kept confidential and shall not be disclosed by such Holder, underwriter or Inspectors unless (A) the disclosing party advises the other party that the disclosure of such Records or information is necessary to avoid or correct a misstatement or omission in a registration statement or is otherwise required by law, (B) the release of such Records or information is ordered pursuant to a subpoena or other order from a court or governmental authority of competent jurisdiction or (C) such Records or information otherwise become generally available to the public other than through disclosure by such Holder, underwriter or Inspector in breach hereof or by any Person in breach of any other confidentiality arrangement;

(l) at the time of effectiveness and closing (as applicable) of an underwritten offering, use all reasonable efforts to furnish to each Holder and to each managing underwriter, if any, a signed counterpart, addressed to such Holder and managing underwriter, if any, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants pursuant to SAS 72, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as such Holder and managing underwriter reasonably requests.

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(m) keep a single representative of the sellers of each class of Registrable Securities (appointed by the Holders of a majority of the respective classes of Registrable Securities in the registration) advised as to the initiation and progress of any registration hereunder;

(n) in connection with any registration hereunder, provide officers certificates and other customary closing documents;

(o) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and underwriters counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "**NASD**");

(p) with respect to an underwritten offering of Registrable Common Securities, use its reasonable best efforts to cause all such Registrable Common Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if no such securities are so listed, use its reasonable best efforts to cause such Registrable Common Securities to be listed on the New York Stock Exchange, the American Stock Exchange or the Nasdaq Stock Market ("**Nasdaq**"), as directed by the Holders thereof, and, if listed on Nasdaq, use its reasonable best efforts to (A) secure designation of all such Registrable Common Securities as a Nasdaq "national market system security" within the meaning of Rule 11Aa2-1 under the Exchange Act and (B) cause such Registrable Common Securities to be listed on the Nasdaq National Market or, failing that, to secure Nasdaq authorization for such Registrable Common Securities; and

(q) use its reasonable best efforts to take all other actions necessary to effect the registration of the Registrable Securities contemplated hereby.

6.2 Holder Obligations. Each Holder agrees that it will use all reasonable efforts, prior to making any disclosure allowed by Section 6.1(k)(iii)(A) or (B), to inform the Company that such disclosure is necessary to avoid or correct a misstatement or omission in the registration statement or ordered pursuant to a subpoena or other order from a court or governmental authority of competent jurisdiction or otherwise required by law.

7. **Indemnification.**

7.1 Indemnification by the Company. The Company shall indemnify and hold harmless (i) each Holder and its Affiliates, with respect to any registration statement filed pursuant to this Agreement, (ii) any underwriter or selling agent selected by the Holders with respect to such Registrable Securities and (iii) each Person who controls the Holder or such Affiliate, underwriter or selling agent, including directors and officers thereof, (each such Person being sometimes referred to as an "**Indemnified Person**"), within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act, against any losses, claims, damages, expenses or liabilities, joint or several (each a "**Loss**" and collectively "**Losses**"), to which such Indemnified Person may become subject under the Securities Act or otherwise, to the extent that such Losses (or related actions or proceedings) arise out of or are based upon (A) any untrue statement

or alleged untrue statement of any material fact contained in any registration statement in which such Registrable Securities were included for registration under the Securities Act, or any preliminary prospectus or any final prospectus included in such registration statement or furnished by the Company to any Indemnified Person (or any amendment or supplement to such registration statement or prospectus) or (B) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company agrees to reimburse such Indemnified Person for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however*, that the Company shall have no obligation to provide any indemnification hereunder if any such Losses (or actions or proceedings in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, preliminary prospectus, final prospectus, amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Holder or on such Holders behalf specifically for inclusion, respectively, in such registration statement, preliminary prospectus, final prospectus, amendment or supplement. The indemnity provided in this Section 7.1 shall survive the transfer of the Registrable Securities by the Holder or any such other Persons.

7.2 Indemnification by the Holders. Each Holder, severally and not jointly, shall indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 7.1 hereof) the Company, each director and officer of the Company, each other Holder and each other Person, if any, who controls the Company or such other Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against Losses to which the Company or any such Persons may become subject under the Securities Act or otherwise, to the extent that such losses (or related actions or proceedings) arise out of or are based upon (A) any untrue statement or alleged untrue statement of any material fact contained in any registration statement in which Registrable Securities were included for registration under the Securities Act, or any preliminary prospectus or any final prospectus included in such registration statement (or any amendment or supplement to such registration statement or prospectus), or (B) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in such registration statement, preliminary prospectus, final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Holder, or on the Holders behalf, specifically for inclusion, respectively, in such registration statement, preliminary prospectus, final prospectus, amendment or supplement; provided that, a Holders aggregate liability under this Agreement shall be limited to an amount equal to the net proceeds (after deducting the underwriters discount but before deducting expenses) received by such Holder from the sale of such Holders Registrable Securities pursuant to such registration.

7.3 Notice of Claims, Etc. Promptly after receipt by any Person entitled to indemnity under Section 7.1 or 7.2 hereof (an "**Indemnatee**") of notice of the commencement of any action or proceeding (an "**Action**") involving a claim referred to in such Sections, such Indemnatee shall, if indemnification is sought against an indemnifying party, give written notice to such indemnifying party of the commencement of such Action; *provided, however*, that the failure of any Indemnatee to give said notice shall not relieve the indemnifying party of its obligations

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under Sections 7.1 or 7.2 hereof, except to the extent that the indemnifying party is actually and materially prejudiced by such failure. In case an Action is brought against any Indemnatee, and such Indemnatee notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent it elects to do so by written notice delivered to the Indemnatee promptly after receiving the aforesaid notice, to assume the defense thereof with counsel reasonably satisfactory to such Indemnatee. Notwithstanding the foregoing, the Indemnatee shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnatee, unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying party, (ii) the indemnifying party shall not have employed counsel (reasonably satisfactory to the Indemnatee) to take charge of the defense of such Action, reasonably promptly after notice of the commencement thereof or (iii) such Indemnatee reasonably shall have concluded that there may be defenses available to it which are different from or additional to those available to the indemnifying party which, if the indemnifying party and the Indemnatee were to be represented by the same counsel, could result in a conflict of interest for such counsel or materially prejudice the prosecution of the defenses available to such Indemnatee. If any of the events specified in clauses (i), (ii) or (iii) of the preceding sentence shall have occurred or otherwise shall be applicable, then the fees and expenses of one counsel (or firm of counsel) (in addition to any local counsel) for the Indemnatee shall be borne by the indemnifying party. Anything in this Section 7.3 to the contrary notwithstanding, an indemnifying party shall not be liable for the settlement of any action effected without its prior written consent (which consent shall not unreasonably be withheld or delayed), but if settled with the prior written consent of the indemnifying party, or if there shall be a final judgment adverse to the Indemnatee, the indemnifying party agrees to indemnify the Indemnatee from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior consent of the Indemnatee, consent to entry of any judgment or enter into any settlement or compromise, with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnatee is an actual or potential party to such action or claim), which (i) does not include as a term thereof the unconditional release of the Indemnatee from all liability in respect of such action or claim or (ii) includes a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of the Indemnatee.

7.4 Contribution. If the indemnification provided for in this Article 7 is unavailable or insufficient to hold harmless an Indemnatee in respect of any Losses, then each indemnifying party shall, in lieu of indemnifying such Indemnatee, contribute to the amount paid or payable by such Indemnatee as a result of such Losses in such proportion as appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the Indemnatee, on the other hand, which relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such Indemnatee or indemnifying party, and such parties relative intent, knowledge, access to information and opportunity to correct or mitigate the damage in respect of or prevent the untrue statement or omission giving rise to such indemnification obligation. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7.4 were determined solely by pro rata allocation or by any other method of allocation which did not take account of the equitable considerations referred to above. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of

the Securities Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

7.5 Indemnification Payments; Other Remedies.

(a) Periodic payments of amounts required to be paid pursuant to this Article 7 shall be made during the course of the investigation or defense, as and when reasonably itemized bills therefor are delivered to the indemnifying party in respect of any particular Loss as incurred.

(b) The remedies provided in this Article 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to an Indemnatee at law or in equity.

8. Registration Expenses.

In connection with any registration statement hereunder, the Company will pay (i) all registration and filing fees, (ii) all fees and expenses of compliance with state securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" laws qualifications of the Registrable Securities), (iii) printing and duplicating expenses, (iv) internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) fees and disbursements of counsel for the Company and fees and expenses of independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters or with any required special audits), (vi) the reasonable fees and expenses of any special experts retained by the Company, (vii) fees and expenses in connection with any review of underwriting arrangements by the NASD, including fees and expenses of any "qualified independent underwriter" in connection with an underwritten offering, (viii) reasonable fees and expenses of not more than one counsel for the Holders (as a group), (ix) fees and expenses in connection with listing the Registrable Common Securities on a securities exchange or Nasdaq, and (x) all duplicating, distribution and delivery expenses. In connection with any offerings pursuant to a registration statement, each selling Holder will pay (i) any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities by such Holder in connection with an underwritten offering; and (ii) any out-of-pocket expenses of such Holder including any fees and expenses of counsel to such Holder (other than as set forth in clause (viii) of the immediately preceding sentence).

9. Rules 144 and 144A.

The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder in a timely manner in accordance with the requirements of the Securities Act and the Exchange Act and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make available such information necessary to permit sales pursuant to Rule 144 and/or 144A, as applicable, under the Securities Act. The Company further covenants that it will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such

Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 and/or Rule 144A, as applicable, under the Securities Act, as such Rules may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission.

10. Holder Lock-Up Agreements.

Notwithstanding anything contained in this Agreement to the contrary, each Holders rights under this Agreement with respect to the Registrable Common Securities shall be limited by (to the extent of), and subject to (to the extent of), the terms and provisions of any lock-up agreement or similar agreement entered into by such Holder with respect to the Registrable Common Securities so long as such Holder is bound by any such lock-up agreement or similar agreement.

11. Miscellaneous.

11.1 Notice Generally. Any notice, demand, request, consent, approval, declaration, delivery or other communication hereunder to be made pursuant to the provisions of this Agreement shall specify the Section of this Agreement pursuant to which it is given or being made and shall be deemed sufficiently given or made if in writing and signed by the party making the same, and either delivered in person with receipt acknowledged or sent by registered or certified mail, return receipt requested, postage prepaid, or by telecopy and confirmed by telecopy answerback, addressed, if to any Holder, at the address of such Holder as set forth on the signature pages hereto; and if to the Company, at

National Vision, Inc.
296 Grayson Highway
Lawrenceville, Georgia 30045

or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration, delivery or other communication hereunder shall be deemed to have been duly given or served on the date on which personally delivered, with receipt acknowledged, telecopied and confirmed by telecopy answerback or three Business Days after the same shall have been deposited in the United States mail (by registered or certified mail, return receipt requested, postage prepaid), whichever is earlier.

11.2 Successors and Assigns. This Agreement may not be assigned by any Holder other than to a Permitted Assignee (provided such Permitted Assignee (i) agrees in writing to be bound by the terms of this Agreement and (ii) provides an executed copy of such agreement to the Company), whereupon such Permitted Assignee shall be deemed to be a Holder for all purposes of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and all successors to the Company and the Holders.

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11.3 Amendments. This Agreement may be amended or modified only by a written agreement signed by the Company and both of (i) the Holders of a majority of Registrable Common Securities and (ii) the Holders of a majority in aggregate principal amount of Registrable Debt Securities.

11.4 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.5 Headings. The headings used in this Agreement are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

11.6 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS WHICH MIGHT REQUIRE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. Each party to this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or any agreements or transactions contemplated hereby may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York and hereby expressly submits to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address set forth in Section 11.1, such service to become effective 10 days after such mailing.

11.7 Counterparts and Facsimile Execution. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. This Agreement may be executed by facsimile signatures.

11.8 Entire Agreement. This Agreement embodies the entire agreement and understanding between the Company and the Holders in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

11.9 Specific Performance. The parties hereto acknowledge and agree that the Holders would not have adequate remedies at law and would be irreparably harmed if any of the provisions of this Agreement were not performed by the Company in accordance with the specific terms hereof or were otherwise breached, and that, in such case, it would be impossible to measure in money the damages to such Holders. It is accordingly agreed that the Holders shall be entitled to injunctive relief or the enforcement of other equitable remedies, without bond or other security, to compel performance and to prevent breaches of this Agreement and

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specifically to enforce the terms and provisions hereof, in addition to any other remedy to which they may be entitled, at law or in equity.

11.10 Further Assurances. Each of the parties hereto shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed and delivered as of the date first above written.

NATIONAL VISION, INC.

By: /s/ Mitchell Goodman
Name: Mitchell Goodman
Title: Senior Vice President

[Remainder of page intentionally left blank signature page of Holders to follow]

SCUDDER HIGH YIELD SERIES
SCUDDER HIGH YIELD FUND*

By: /s/ Harry E. Resis
Name: Harry E. Resis
Title: Vice President

SCUDDER HIGH INCOME TRUST*

By: /s/ Harry E. Resis
Name: Harry E. Resis
Title: Vice President

Scudder MULTI-MARIET INCOME
TRUST*

By: /s/ Jan C. Fuller
Name: Jan C. Fuller
Title: Vice President

SCUDDER STRATEGIC INCOME TRUST*

By: /s/ Jan C. Fuller
Name: Jan C. Fuller
Title: Vice President

SCUDDER STRATEGIC INCOME FUND*

By: /s/ Jan C. Fuller
Name: Jan C. Fuller
Title: Vice President

SCUDDER VARIABLE SERIES II SCUDDER
HIGH YIELD PORTFOLIO*

By: /s/ Harry E. Resis
Name: Harry E. Resis
Title: Vice President
SCUDDER PORTFOLIO TRUST
SCUDDER HIGH YIELD OPPORTUNITY
FUND*

By: /s/ John Millette
Name: John Millette
Title: Vice President

SCUDDER GLOBAL OPPORTUNITIES
FUND U.S. HIGH YIELD BOND FUND

By: /s/ Paul J. Elmlinger
Name: Paul Elmlinger
Title: Director

ADAMS STREET CBO 1998-1 LTD

SCUDDER MONTHLY INCOME FUND

BY ZURICH SCUDDER INVESTMENTS
AS INVESTMENT ADVISOR

By: */s/ Harry E. Resis*

Name: *Harry E. Resis*
Title: *Vice President*

By: */s/ Paul J. Elmlinger*

Name: *Paul Elmlinger*
Title: *Director*

Zurich Scudder Investments (Luxembourg) S.A.

U.S. BANCORP INVESTMENTS, INC.

By: */s/ Robert G. Morrish*

Name: *Robert G. Morrish*
Title: *Executive Vice President*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NATIONAL VISION, INC.
(Exact Name of Issuer as Specified in its Charter)

Georgia

*(State or Other Jurisdiction of
Incorporation or Organization)*

5990

*(Primary Standard Industrial
Classification Code Number)*

58-1910859

*(I.R.S. Employer
Identification Number)*

296 Grayson Highway
Lawrenceville, GA 30045
(770) 822-3600
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrants Principal Executive Offices)

MITCHELL GOODMAN, ESQ.
Senior Vice President, General Counsel
296 Grayson Highway
Lawrenceville, GA 30045
(770) 822-4208
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
DAVID A. STOCKTON, ESQ.
Kilpatrick Stockton LLP
1100 Peachtree Street, N.E.
Atlanta, Georgia 30309-4530
(404) 815-6500

Approximate date of commencement of proposed sale to the public: **From time to time after this Registration Statement becomes effective.**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐ / ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☐ / ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ / ☐ _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ / ☐ _____

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐ / ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Calculation of Registration Fee

Title of Securities to be Registered	Amount to be Registered	Proposed Offering Price Per Share ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee
Common Stock, \$0.01 par value per share	1,964,664 shares of Stock	\$1.35	\$2,652,296	\$663.07
		\$68%	\$32,156,520	\$8,039.13

(1) Determined in accordance with Rule 457(c) of the Securities Act, the average of the high and low prices on The American Stock Exchange on September 4, 2001.

Subject to Completion, Dated September 5, 2001

Prospectus

1,964,664 Shares of Common Stock

\$47,289,000 of 12% Senior Secured Notes due 2009

National Vision, Inc., formerly known as Vista Eyecare, Inc. (sometimes referred to herein as the "Company"), is registering 1,964,664 shares of our common stock, par value \$0.01 per share (the "Stock") and an aggregate principal amount of \$47,289,000 of our 12% Senior Secured Notes due 2009 (the "Notes") that are held by some of our shareholders who are identified later in this Prospectus under "The Offering" (the "Selling Holders"). Because of possible transactions after the date of this Prospectus, other persons who are not yet known may become Selling Holders and be entitled to use this Prospectus to sell some of the Stock and/or Notes. We will not receive any of the proceeds of any sale of the Stock or the Notes.

We have agreed to bear all expenses in connection with the preparation and use of this Prospectus. The Selling Holders will pay (a) any underwriting discounts, brokerage fees, or commissions, and (b) any out-of-pocket expenses of such Selling Holders including any reasonable fees and expenses of one counsel to such Selling Holders acting for them as a group in connection with sales of the Stock or the Notes. To the extent required, the specific shares to be sold, the terms of the offering, including price, the name of any broker-dealer or underwriter, and any applicable commission, discount, or other compensation with respect to a particular sale will be set forth in a supplement that we may prepare to accompany this Prospectus in the future. See "Plan of Distribution". We have agreed to indemnify the Selling Holders, and they have agreed to indemnify us, against certain liabilities under the Securities Act of 1933, as amended (the "Securities Act").

The Stock is traded under the symbol "NVI" on The American Stock Exchange (the "AMEX"). The Notes are traded under the symbol "NVI.A" on the AMEX.

**You should consider carefully the risk factors
beginning on page 4 of this Prospectus.**

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

The date of this Prospectus is September __, 2001.

WHERE YOU CAN FIND MORE INFORMATION

This Prospectus is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission (the "SEC") covering the Stock and the Notes that the Selling Holders may offer for resale. The SEC's file number for that registration statement is 333-[_____].

We file annual, quarterly, and current reports, proxy statements, and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. For information on the operation of the Public Reference Room, call the SEC at 1-800-SEC-0330. You can also obtain reports, proxy statements, and other information regarding issuers that file electronically with the SEC from the SEC's Internet site (<http://www.sec.gov>).

The SEC allows us to "incorporate by reference" information filed with them, which means that we can disclose important information to you by referring you directly to those documents. The information incorporated by reference is considered to be a part of this Prospectus. In addition, information we file with the SEC in the future will automatically update and supersede information contained in this Prospectus and any accompanying Prospectus supplement. Any information so updated or superseded shall not be deemed, except as so updated or superseded, to be a part of this Prospectus. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") until all of the Stock and the Notes described in this Prospectus are sold or the offering of the Stock and the Notes covered by this Prospectus is terminated:

1. Registration Statement on Form 8-A 12B with respect to the Notes, filed with the SEC on August 9, 2001;
2. Registration Statement on Form 8-A 12B with respect to the Stock, filed with the SEC on August 9, 2001;
3. Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed with the SEC on August 14, 2001; as amended by the Amendment to Quarterly Report on Form 10Q/A, filed with the SEC on August 22, 2001;
4. Current Report on Form 8-K, dated May 18, 2001, filed with the SEC on June 1, 2001;
5. Current Report on Form 8-K, dated April 20, 2001, filed with the SEC on May 8, 2001;
6. Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, filed with the SEC on May 15, 2001;
7. Current Report on Form 8-K, dated March 16, 2001, filed with the SEC on March 22, 2001;
8. Current Report on Form 8-K, dated March 15, 2001, filed with the SEC on March 15, 2001;
9. Current Report on Form 8-K, dated February 3, 2001, filed with the SEC on February 27, 2001;
10. Annual Report on Form 10-K for the fiscal year ended December 30, 2000, filed with the SEC on April 10, 2001;

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11. Registration Statement on Form 8-A 12G, dated March 1, 1998, filed with the SEC on March 24, 1998;
12. Registration Statement on Form 8-A 12G, dated January 17, 1997, filed with the SEC on January 17, 1997; and
13. Registration Statement on Form 8-A, dated March 25, 1992, filed with the SEC on March 25, 1992.

We will provide you with free copies of any of these documents or any other documents that have been incorporated by reference in this Prospectus, without exhibits, unless an exhibit is incorporated into the document by reference, if you write us or call us at: National Vision, Inc., 296 Grayson Highway, Lawrenceville, GA 30045, Attention: Mitchell Goodman, telephone (770) 822-4208.

FORWARD-LOOKING STATEMENTS

From time to time, information we provide or statements of our directors, officers, or employees may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Those statements involve numerous risks and uncertainties. Typically, such information or statements contain the words "believes," "anticipates," "intends," "expects," or similar words. In any event, any information or statements made or incorporated by reference in this Prospectus that are not statements of historical fact are forward-looking statements. Such forward-looking statements in this Prospectus, and others that we or our representatives make, are based on a number of assumptions and involve risks and uncertainties. Consequently, actual results could differ materially. The factors we describe under the heading "Risk Factors" are some, but not all, of the reasons that results could be different.

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RISK FACTORS

An investment in the Stock and the Notes involves a significant degree of risk. Prospective investors should carefully consider all of the information contained in this Prospectus, including the following factors that may affect our current operations and future prospects.

Our recent emergence from bankruptcy may adversely affect our relationships with our vendors and customers.

On May 31, 2001, we emerged from bankruptcy pursuant to our First Amended Joint Plan of Reorganization Under Chapter 11, Title 11, United States Code, filed by Vista Eyecare, Inc. and Certain of its Debtor Subsidiaries, as modified by the Modification to First Amended Joint Plan of Reorganization Under Chapter 11, Title 11, United States Code, filed by Vista Eyecare, Inc. and Certain of its Debtor Subsidiaries and First Amended Joint Plan of Reorganization Under Chapter 11, Title 11, United States Code, Filed by Frame-N-Lens Optical, Inc.; Midwest Vision, Inc.; New West Eyeworks, Inc., and Certain of Their Debtor Subsidiaries (collectively, the "Plan"). Our various relationships with our vendors and our customers may be adversely affected by our past reliance on the protections afforded by Chapter 11. In addition, we continue to go through the process of disputing certain claims pursuant to our rights under the Plan. The dispute process may divert the time and resources of our management that could otherwise be used in running our business.

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

As a result of the issuance of the Notes, we are highly leveraged. Assuming the issuance of all of the Notes and after giving effect to the establishment of our credit facility, we had:

- total indebtedness of \$120 million represented by the Notes, and
- total availability, as of August 24, 2001, of \$7.7 million under our credit facility, subject to certain borrowing limitations.

Our ability to pay or refinance our indebtedness, including our ability to repay the Notes, or to fund capital expenditures will depend on our future performance. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Based upon our current level of operations, we believe that our cash flow from operations, available cash, and available borrowings under our credit facility, will be adequate to meet our future liquidity needs for at least the next several years. A decrease in revenues, coupled with the borrowing base limitation contained in our credit facility, could require us to postpone capital expenditures.

We cannot assure you that our business will generate sufficient cash flow from operations, that revenue growth will be realized or that future borrowings will be available under our credit facility in an amount sufficient to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs.

Our substantial indebtedness could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations under the Notes,
- increase our vulnerability to general adverse economic and industry conditions,
- limit our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements,
- require us to dedicate a substantial portion of our cash flow from operations to the payment of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures or other general corporate purposes,
- limit our flexibility in planning for, or reacting to, changes in our business and our industry,
- place us at a competitive disadvantage compared to competitors that have less debt, and
- limit, along with the financial and other restrictive covenants in our indebtedness, our ability to borrow additional funds. Our failure to comply with the covenants in the Indenture (as defined under "Description of the Notes") or our credit facility would result in an event of default which, if not cured or waived, could have a material adverse effect on us.

A substantial number of our vision centers are located in Wal-Mart stores. Our ability to continue to generate revenue depends on our continued relationship with Wal-Mart.

In connection with our emergence from Chapter 11 reorganization, we have sold all of our free standing vision centers, the revenues and expenses of which are reflected in our Annual Report on Form 10-K for the fiscal year ended December 30, 2000. Our remaining vision centers are sometimes referred to herein as the "Remaining Operations." We are substantially dependent on Wal-Mart and its affiliates for our current operations. The following chart shows, as of August 24, 2001, certain information about our vision centers in Wal-Mart stores:

<u>Category</u>	<u>Number</u>
Total Vision Centers	503
Wal-Mart Locations	398
Wal-Mart Mexico	30

In addition, vision centers located in Wal-Mart stores accounted for substantially all of the earnings before interest, taxes, depreciation and amortization ("EBITDA") of our Remaining Operations for the fiscal year ended December 30, 2000. Vision centers in Wal-Mart stores rely largely on customer traffic generated by the Wal-Mart host store. Our agreement with Wal-Mart does not require Wal-Mart to maintain any existing Wal-Mart store or to open new ones.

Our agreement with Wal-Mart gives us the right to open at least 400 vision centers, including those already open. We will reach that number during 2001. Wal-Mart is under no obligation to provide us with additional vision center leases. However, our agreement with Wal-Mart also provides that, if Wal-Mart converts its own store to a "supercenter" (a store which contains a grocery department in addition to the traditional Wal-Mart store offering) and relocates our vision center as part of the conversion, the term of our lease begins again. We believe that Wal-Mart may in the future convert many of its stores and thereby cause many of our leases to start again (there were 14 conversions of Wal-Mart stores in which we run vision centers into "supercenters" in the year 2000, and 18 such conversions prior to 2000). We have received no assurances from Wal-Mart as to how many of their locations will ultimately be converted.

Our agreement with Wal-Mart provides for a nine-year base term at each vision center that begins at opening and gives us a three-year extension option. Wal-Mart is under no obligation to provide us with any further extensions. Forty-eight vision centers have base terms that expire in 2001 under our Wal-Mart agreement, all of which have been extended, and another forty-six have base terms that expire in 2002, which we have the option to extend. More base terms will expire in subsequent years. As each base term expires, we determine whether to exercise our three-year extension options for our Wal-Mart vision centers. We make those decisions based upon various factors, including, for example:

- the sales levels of each vision center,
- the estimated future profitability of each vision center, and
- the increased minimum license fees charged by Wal-Mart during the option period.

We must exercise our extension option for any Wal-Mart vision center at least six months before its initial license expires. We expect to extend the licenses for a substantial majority of these vision centers. We cannot assure you, however, how many licenses we will actually extend.

In each of the next several years, increasing numbers of vision centers under our Wal-Mart agreement will have their base terms expire. Our rental obligations to Wal-Mart will increase in the three-year option period. We will need to continue to improve sales at these vision centers. If we do not, our rent as a percent of sales will increase significantly during the option period. Alternatively, we may choose not to exercise the extension options.

We cannot control our expansion in our host stores, including Wal-Mart, beyond those currently under contract. Although we periodically discuss expansion opportunities with each host, we cannot assure you that any host will offer to extend our current agreements or offer us additional vision centers. Nor can we assure you that any renewal or new store offer will be on terms similar to those in our current agreements. Wal-Mart operates its own optical division. After we have opened 400 locations pursuant to our Wal-Mart agreement, Wal-Mart may allocate its future vision centers entirely to its own optical division.

Our lack of growth could make it difficult for us to make payments on the Notes, and could adversely affect the price of the Stock.

Average revenues in our Wal-Mart vision centers are approximately \$550,000 per center per year. Average revenues in our other Remaining Operations are less than \$300,000 per center per year. The expiration of our leases with Wal-Mart will cause a reduction in our revenues, which we may not be able to replace with revenues generated by other vision centers.

Our sales revenues could decrease in the future as Wal-Mart leases expire. It is unlikely that we will be able to open enough new vision centers under our Fred Meyer and military contracts to compensate for the loss of the revenues generated by Wal-Mart vision centers for which our leases expire. We expect that our expenses, however, will increase over time. A combination of lower sales and higher expenses would adversely affect our ability to repay or refinance the Notes, all or any of which may have an adverse effect on the price of the Stock.

The use of net operating loss carryforwards may be subject to limitations.

In conjunction with our historical results from operations, emergence from Chapter 11 and the disposition of our free standing operations, the Company incurred significant net operating losses. These losses are expected to result in significant net operating loss carryforwards, the amount of which has not yet been finally determined. The Company's net operating losses that were realized prior to its emergence from Chapter 11 are subject to substantial limitation under Section 382 of the Internal Revenue Code of 1986. If the Company's net operating losses realized after its emergence from Chapter 11 are subject to substantial limitation because of a future change of control of the Company or otherwise, the cash tax costs of the Company would increase and have an adverse effect on the Company's ability to repay the Notes.

Your right to receive payments on the Notes will be junior to our borrowings under our credit facility.

Our indebtedness under our credit facility is secured by liens against substantially all of our assets. In the event of a default on our secured indebtedness, or a bankruptcy, liquidation or reorganization of the Company and our subsidiaries, these assets will be available to satisfy obligations with respect to the secured indebtedness before they can be used to satisfy our obligations under the Notes.

The terms of our credit facility and the Indenture restrict our corporate activities.

Our credit facility and our Indenture contain various restrictive covenants and require us to maintain specified financial ratios and satisfy certain financial tests, such as:

- minimum EBITDA requirements, and
- minimum fixed charge coverage ratios.

Our ability to meet these financial ratios and tests may be affected by events beyond our control, and we cannot assure you we will meet such tests. Our credit facility and our Indenture also limit our ability to take action with respect to:

- capital expenditures,
- investments,

- indebtedness,
- liens,
- dividends,
- loans,
- prepayments of other indebtedness,
- mergers, acquisitions or sales of assets,
- changes in business activities,
- transactions with affiliates, and
- issuance of equity.

Our breach of any of these covenants could result in an event of default under our credit facility. If a default occurs, our lender can declare our indebtedness, both principal and interest, immediately due and payable, and could terminate its commitment to make future advances. In addition, a default under the Indenture could cause the principal and accrued interest on the Notes to become due and payable. The restrictions in the Indenture and the credit facility will likely restrict our ability to obtain additional

financing for working capital, capital expenditures or general corporate purposes. Our indebtedness requires substantial debt service payments and, with respect to the Indenture, mandatory redemptions of principal, which may restrict our ability to use our operating cash flow for capital expenditures and other working capital requirements. We have pledged substantially all of our assets under our credit facility and under the Indenture. If we fail to repay all amounts declared due and payable, our lender and then the holders of Notes could proceed against the collateral granted to it to satisfy our obligations. It is likely that our assets would be insufficient to repay in full that indebtedness and our other indebtedness, including the Notes.

See "Description of the Notes Covenants."

We are required by the Indenture to make mandatory redemptions of principal owing on the Notes in certain circumstances, which may have an adverse impact on the Stock.

The Indenture requires mandatory redemptions of principal out of the excess cash flow that we may generate. See "Description of the Notes Redemptions." There can be no assurances that we will generate enough excess cash flow to make any mandatory redemptions. Prepayments of principal on the Notes, if any, will prevent us from having excess cash to reinvest in our business, and could adversely affect the price of our stock.

Further distributions of the Stock and the Notes could adversely affect their trading prices.

We are issuing the Stock and the Notes to creditors pursuant to the Plan. Further distributions will be made pursuant to the Plan as disputed claims are resolved. Distributions of the Stock and the Notes could cause adverse changes in the trading prices of the Stock and the Notes.

The holders of the Stock and the Notes may exercise significant control over the Company and the price of the Stock and the Notes.

If holders of significant numbers of shares of the Stock act as a group, such holders could be in a position to control the outcome of certain corporate actions requiring shareholder approval, including the election of directors. In addition, the possibility that one or more of the holders of significant numbers of shares of the Stock or a large principal amount of the Notes may determine to sell all or a large portion of their shares of the Stock or their Notes in a short period of time may adversely affect the market price of the Stock or the Notes.

The Stock and the Notes were issued under the Plan to our unsecured creditors in connection with pre-bankruptcy claims against the Company. Some or all of the holders of the Stock and the Notes may therefore prefer to liquidate their investment rather than to hold it on a long-term basis. Partially for that reason, there can be no assurance as to the degree of price volatility in any trading market that may develop for the Stock and the Notes. As a result, no assurance can be given that any holder of the Stock or the Notes will be able to sell them or at what price any sale may occur. No assurance can be given as to the market price, if any, that will prevail for the Stock in the future. If a market were to exist for the Notes, they may trade at prices higher or lower than their face value, depending upon many factors, including, without limitation, the prevailing interest rates, markets for similar securities, industry conditions and the performance of, and investor expectations for us.

The Stock and the Notes have all been issued but not distributed. Further distributions will be made pursuant to the Plan as disputed claims are resolved. Distributions of the Stock and the Notes to

people that decide to sell them immediately could cause sudden adverse changes in the trading prices of the Stock and the Notes.

The public market for our securities has existed for a limited period of time.

Our Stock was previously listed on the NASDAQ Small Cap Market under the ticker symbol "VSTA." It was delisted on May 9, 2000 because its price dropped below \$1.00 for a period of 30 days. Pursuant to the Plan, the old shares of our stock were deemed cancelled, terminated, and of no further force and effect as of May 31, 2001. 5,000,000 shares of the Stock were issued to former unsecured creditors in accordance with the terms of the Plan. The public market for the Stock being registered hereby was initiated by listing on the AMEX on August 27, 2001, and the public market for the Notes was initiated by listing on the AMEX on August 27, 2001. There can be no assurance that an active trading market for the Stock or the Notes will develop or be sustained or that the market price of the Stock or the Notes will not decline.

We have not declared dividends in the past, and do not anticipate doing so in the near future.

Our credit facility and the Indenture prohibit the payment of cash dividends without the consent of the lender and the holders of the Notes, respectively. We have never declared or paid any dividend on our capital stock. We currently anticipate that all of our earnings, if any, will be retained for payment of the principal amount of the Notes, and then for development of the Companys business, and do not anticipate paying any cash dividends in the foreseeable future. See "Description of the Notes Covenants."

A change in interest rates could adversely affect us.

The Company borrows long-term debt under our credit facility at variable interest rates. We therefore incur the risk of increased interest costs if interest rates rise.

The retail eyecare industry is extremely competitive.

The retail eyecare industry is extremely competitive. We compete with national companies such as Lenscrafters and Cole; we also compete with numerous regional and local firms. In addition, optometrists, ophthalmologists, and opticians provide many of the same goods and services we provide. The level and intensity of competition can vary dramatically depending on the particular market. We believe that we have numerous competitive advantages, such as our everyday low pricing, product selection, and quality and consistency of service.

We also compete for managed care business. Our competition for this business is principally the larger national and regional optical firms. Competition for this business is driven by size of provider network, quality and consistency of service, and by pricing of vision care services. We have one of the largest networks in the country and believe that the size of the network gives us a competitive advantage.

Several of our competitors have significantly greater financial resources than we do. As a result, they may be able to engage in extensive and prolonged price promotions which may adversely affect our business. They may also be able spend more than we do for advertising.

Federal and state governments extensively regulate the health care and insurance industries. A finding that we have violated existing regulations, or future adverse changes in those regulations, could negatively affect our business and its prospects.

Both federal and state governments extensively regulate the delivery of health care, including relationships among health care providers such as optometrists and eyewear providers like us. Many states prohibit business corporations from practicing medicine or controlling the medical judgments or decisions of physicians. States often also prohibit certain financial arrangements, such as splitting fees with physicians. The legality of our relationships with opticians and independent optometrists has been and may continue to be challenged from time to time. Regulations vary from state to state and are enforced by both courts and regulatory authorities, each with broad discretion. A ruling that we have violated these laws could, for example, result in:

- censure,
- delicensing of optometrists,
- civil or criminal penalties, including large civil monetary penalties,
- invalidation or modification of our agreements with optometrists and opticians, or
- an order requiring us to change our business practices.

These consequences could have an adverse effect on our business. Also, changes in our relationships with independent optometrists and opticians could adversely affect our relationship with Wal-Mart or our other host stores. Local ordinances (such as zoning requirements) can also impose significant burdens and costs of compliance. Frequently, our competitors sit on state and local boards. Our risks and costs of compliance are often increased as a result.

The fraud and abuse provisions of the Social Security Act and anti-kickback laws and regulations adopted in many states prohibit soliciting, paying, receiving or offering any compensation for making, or to cause someone to make, certain referrals of patients, items or services. The Social Security Act also imposes significant penalties for false or improper Medicare and Medicaid billings. Many states have adopted similar laws applicable to any payor of health care services. We must also comply with federal laws such as the Health Insurance Portability Act of 1996 (which governs our participation in managed care programs) and the Food and Drug Administration Act (which regulates medical devices such as contact lenses). In addition, the Stark Self-Referral Law restricts referrals for Medicare or Medicaid covered services where the referring physician has a financial relationship with the service provider. In some cases, the rental of space constitutes a financial relationship under this law. Many states have adopted similar self-referral laws which are not limited to Medicare or Medicaid reimbursed services. Violations of these laws may result in substantial civil or criminal penalties, including double and treble civil monetary penalties, and in the case of federal laws, exclusion from the Medicare and Medicaid programs. Such exclusions and penalties, if applied to us, could have a material adverse effect on our business.

We do not have employment agreements with key management. The departure of key executives could adversely affect our business.

We depend on the continuing efforts of our executive officers and senior management. The departure of these individuals in significant numbers could adversely affect our business and prospects if we are unable to attract and retain qualified replacements. We do not currently have employment agreements with

any personnel, including key executive officers and management. However, we offer our executives and management bonus and stock-based incentives related to our performance.

Failure to have independent vision care professionals available in or near our vision centers would adversely affect our ability to win managed care and host store contracts, and could prevent us from operating in some states.

Our business and marketing strategies emphasize the availability of independent optometrists in close proximity to our vision centers. Typically, a licensed optometrist occupies a space in or adjacent to each of our stores. Additionally, our agreement with Wal-Mart contemplates that we will make optometrists available at least 48 hours per week if permitted by law. Some states require that licensed opticians be present when eyeglasses or contact lenses are fitted or dispensed. Any difficulties or delays in securing the services of such optical professionals could adversely affect our business and our relationship with our host stores. Consequences of difficulty or delay could include termination of our host store licenses for those vision centers, and imposition of legal sanctions against us, including closure of vision centers without licensed professionals.

Our retail business may depend on our ability to keep licensed optometrists available in our vision centers.

Historically, if there is no licensed optometrist available to give eye exams, our retail business has suffered. In certain markets, it can be difficult to hire or keep vision care professionals on staff in our vision centers. Failure to maintain a staff of qualified vision care professionals could have an adverse effect on our business.

Our success increasingly depends on our ability to develop and maintain relationships with managed vision care companies.

An increasing percentage of patients receive health care coverage through managed care payors. As this trend continues, our success will increasingly depend on our ability to negotiate contracts with health maintenance organizations ("HMOs"), employer groups and other private third party payors. We cannot assure you that we will be able to establish or maintain satisfactory relationships with managed care and other third party payors. Many managed care payors have existing provider structures in place that they may be unable or unwilling to change. Our inability to enter into such arrangements in the future could have a material adverse affect on our business.

We have established a network of optometrists and other providers located in or adjacent to our stores in order to enhance our ability to contract with managed care payors for both professional services and retail eyewear supplies. Managed care contracts include a variety of reimbursement methods, such as capitation (or risk basis) and fee for service. Our contracts with managed care companies on the one hand, and with networks of optometrists and other providers on the other, are subject to federal and state regulations, for example:

Insurance Licensure. Most states impose strict licensure requirements on companies that engage in the business of insurance, including health insurance companies and HMOs. Many licensing laws mandate strict financial and other requirements which we may not be able to meet, were we deemed to be an engaging in the business of insurance. Additionally, the licensure process can be lengthy and time consuming.

Any Willing Provider Laws. Some states require managed care payors to include any provider who is willing to abide by the terms of the payors contracts. Some states also prohibit termination of

providers without cause. Other states are considering similar requirements. Such laws limit our ability to develop effective managed care provider networks.

Antitrust Laws. A range of antitrust laws apply to us and our provider network. These laws prohibit anti-competitive conduct, including price-fixing, concerted refusals to deal, and divisions of markets. We cannot assure you that our operations will not be challenged on antitrust grounds in the future.

Proposed reforms may affect our business.

There have been numerous reform initiatives at the federal and state levels relating to the payment for and availability of healthcare services. We believe that such initiatives will continue for the foreseeable future. If adopted, some of these reforms could adversely affect our business.

We rely on third parties to pay many of our customers costs.

A significant portion of medical care in the United States is funded by government and private insurance programs, such as Medicare, Medicaid and corporate health insurance plans. According to government projections, more medical beneficiaries who are significant consumers of eye care services will enroll in managed care organizations. Governmental and private third party payors are trying to contain medical costs by:

- lowering reimbursements,
- imposing use restrictions and risk-based compensation arrangements,
- redesigning benefits, and
- exploring more cost-effective methods of health care delivery.

These cost containment efforts may lead to limitations or reductions in reimbursement for eye care services, which would adversely affect our future sales. Additionally, some reimbursement programs require collection of amounts by the Company. Our inability to fully collect reimbursable amounts could adversely affect cash flow generated from operations.

We depend on reliable and timely reimbursement of claims we submit to third party payors. There are risks we may not be paid on a timely basis, or that we will be paid at all. Some plans have complex forms to complete. Sometimes our staff may incorrectly complete forms, delaying our reimbursement. These delays can hurt our cash flow and also force us to write-off more of these accounts receivable.

New advances may reduce the need for our products or allow other manufacturers to produce eyewear at lower cost than we can.

Technological advances in the eyecare industry, such as new surgical procedures or medical devices, could reduce the demand for the Company's products. Corneal refractive surgery procedures such as laser surgery, radial-keratotomy and photo-refractive keratectomy may change the demand for our products. The development of new drugs may have a similar effect. Technological advances such as wafer technology and lens casting may make our current lens manufacturing method uncompetitive or obsolete. The number of individuals electing Lasik and similar surgical procedures has dramatically increased each year, which could significantly decrease demand for our goods and services. Such medical and technological advances may have a material adverse effect on our operations.

A prolonged economic downturn could have an adverse impact on our industry.

We believe that a weakening economy may cause an increase in the period of time between repurchases of our retail products by the average consumer. Such an extension of the repurchase cycle would reduce the number of transactions in our industry, and for our retail products. Lower sales of our retail products would reduce our revenues, which could adversely affect both our ability to pay off the Notes and the price of the Stock.

Operating in other countries presents special risks that may affect our results of operations.

Our Mexican operations face risks substantially similar to those we face in our Wal-Mart stores, including dependence on the host store and limits on expansion. We cannot assure you that our Mexican operations will be able to attain profitability.

Our foreign operations expose us to all of the risks of investing and operating in foreign countries generally, including:

- differing regulatory, political and governmental environments,
- currency fluctuations,
- high inflation,
- price controls,
- restrictions on profit repatriation,
- generally lower per capita income and spending levels,
- import duties and value-added taxes, and
- difficulties of cross-cultural marketing.

Our Articles of Incorporation, By-Laws and Shareholder Rights Plan contain provisions that make it more difficult to effect a change in control of the Company.

Certain provisions of our Articles of Incorporation and By-Laws could discourage tender offers or other transactions that would result in shareholders receiving a premium over the market price for our Stock. These include provisions:

- authorizing the issuance of preferred stock without shareholder approval,
- requiring a supermajority shareholder vote in certain circumstances,
- restricting who may call a special meeting of shareholders,
- permitting our Board of Directors to consider constituencies in addition to the shareholders, and
- requiring shareholders to comply with certain procedures in connection with any shareholder proposals or director nominations.

Our Shareholder Rights Plan (the "Plan") provides us with a defensive mechanism that decreases the risk that a hostile acquirer will attempt to take control of us without negotiating directly with our Board of Directors. It is meant to prevent an acquirer from gaining control of us by paying an inadequate price or by using coercive techniques. The Plan may discourage acquirers from attempting to purchase us.

We may not have the ability to raise the funds necessary to finance the change of control repurchase contemplated by the Indenture.

Upon certain changes of control, holders of the Notes have the right to require us to repurchase all or a portion of the Notes. See "Description of the Notes Covenants." If a change of control occurs, we

cannot assure you that we will have sufficient funds to repurchase all of the Notes tendered. Our failure to repurchase tendered notes would be an event of default under the Indenture. Changes of control are also restricted by, and constitute a default under, our credit facility. If the lender under our credit facility were to accelerate our obligations due to a default, it would have a priority claim to the proceeds from the sale of our assets securing such indebtedness.

Our adoption of "Fresh Start" accounting may make evaluating our financial position and results of operations, as compared to prior periods, more difficult.

Due to our emergence from bankruptcy pursuant to the Plan, we implemented "fresh start" accounting as of June 2, 2001. In accordance with fresh start accounting, all assets and liabilities were restated to reflect their respective fair values. As a result, the consolidated financial statements for the reorganized Company as of June 2, 2001 and thereafter will not be comparable to those of the Company for the periods prior to June 2, 2001. Such a change in accounting principles may make it more difficult to compare our operations to prior periods.

Our operating history since our emergence from bankruptcy may be insufficient to evaluate our financial condition based on our financial statements.

Our operating history since our emergence from bankruptcy is limited. Our financial statements since the implementation of fresh start accounting may be insufficient to draw proper conclusions about our future ability to generate profits and to make payments on the Notes.

Earnings were insufficient to cover fixed charges in the one month period ended June 30, 2001.

The ratio of earnings to fixed charges is intended to provide an indication of the Companys ability to meet its obligations for interest payments. The deficiency in the ratio of earnings to fixed charges for the one month period ended June 30, 2001 may indicate that the Company may be unable to meet its future interest obligations.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges of the Company for the periods indicated. The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges. For this purpose, "earnings" represent pretax income from continuing operations plus fixed charges. "Fixed charges" consist of interest expense and amortization of fees. This calculation does not necessarily reflect the future ability of the Company to meet its interest obligations.

Ratio of Earning to Fixed Charges (dollars in thousands)

Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Five months ended June 2, 2001 (a)	One month ended June 30, 2001 (a)
2.8	5.4	1.9	- (b)	- (c)	4.1	- (d)

- Due to the Companys emergence from Bankruptcy and implementation of "Fresh Start" accounting principles, financial statements for the reorganized company as of June 2, 2001 and for periods subsequent to June 2, 2001 will not be comparable to those of the Company for the periods prior to June 2, 2001. Although the Plan became effective on May 31, 2001, for financial reporting purposes the effective date of the Plan is considered to be June 2, 2001. The results of operations for the period from May 31, 2001 through June 2, 2001 were not material. A black line has been drawn to distinguish the reorganized company and the predecessor company prior to emergence from bankruptcy.
- For the fiscal year ended January 1, 2000, earnings were insufficient to cover fixed charges by approximately \$17.2 million. Depreciation and amortization, which are non-cash charges included in earnings, were \$18.6 million for the fiscal year ended January 1, 2000.
- For the fiscal year ended December 30, 2000, earnings were insufficient to cover fixed charges by approximately \$14.1 million. Depreciation and amortization, which are non-cash charges included in earnings, were \$17.5 million for the fiscal year ended December 30, 2000.
- For the period from June 2, 2001 to June 30, 2001, earnings were insufficient to cover fixed charges by approximately \$711,000. Depreciation and amortization, which are non-cash charges included in earnings, were \$1.5 million for the one month period ended June 30, 2001.

THE OFFERING

This Prospectus relates to the proposed offer and sale by persons, who are called the "Selling Holders," of shares of our Stock and our Notes that they own. An aggregate of 1,964,664 shares of Stock and \$47,289,000 aggregate principal amount of Notes have been issued to the Selling Holders. We will not receive any proceeds from the sale by Selling Holders of any Stock or Notes. The Selling Holders will receive all such proceeds.

Pursuant to the Plan, we have issued a total of 5,000,000 shares of our Common Stock, par value \$0.01 per share (the "Stock"), to our former unsecured creditors. 1,276,010 shares were issued to funds controlled by Scudder-Kemper and 688,654 shares were issued to U.S. Bancorp Investments, Inc., which will be the initial Selling Holders. We have also issued, pursuant to the Plan, \$120,000,000 of our 12% Senior Secured Notes due 2009 (the "Notes"). \$30,713,000 of the Notes were issued to funds controlled by Scudder-Kemper and \$16,576,000 of Notes were issued to U.S. Bancorp Investments, Inc.

PRICE RANGE OF COMMON STOCK

Our Stock was previously listed on the NASDAQ National Market System until October 12, 1999, when it began trading on the NASDAQ Small Cap Market, under the ticker symbol "VSTA." It was delisted on May 9, 2000 because its price dropped below \$1.00 for a period of 30 days. It was subsequently quoted on the Electronic Bulletin Board. The then-existing common stock was deemed cancelled upon the effective date of the Plan. Our Stock, which was issued pursuant to the Plan, now trades on the AMEX under the symbol "NVI." The Stock has been trading on the AMEX since August 27, 2001. Its opening price was \$5.00 per share. The following table sets forth, for the periods indicated, the quarterly high and low (1) sales price information for the period during which our common stock was traded on the NASDAQ National Market System and the NASDAQ Small Cap Market, (2) the quarterly high and low bid price for the period during which our stock was quoted on the Electronic Bulletin Board, and (3) the sales price information during which our Stock was listed on the AMEX:

	Sales Price	
	High	Low
1999		
First Quarter	\$6.250	\$4.500
Second Quarter	\$6.250	\$3.625
Third Quarter	\$3.938	\$2.250
Fourth Quarter ¹	\$2.750	\$0.625
2000		
First Quarter	\$2.500	\$0.844
Second Quarter ²	\$0.875	\$0.203
Third Quarter	\$0.359	\$0.125
Fourth Quarter	\$0.219	\$0.031
2001		
First Quarter	\$0.025	\$0.016
Second Quarter	\$0.050	\$0.010 ³
Third Quarter (from August 27, 2001 through September 4, 2001) ⁴	\$5.000	\$1.300

The closing sales price for the Stock on September 4, 2001 on the AMEX was \$1.30 per share.

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1. The outstanding shares of our then-existing common stock ceased being listed on the NASDAQ National Market System and began trading on the NASDAQ Small Cap Market on October 12, 1999.
 2. The outstanding shares of our then-existing common stock ceased being listed on the NASDAQ Small Cap Market on May 9, 2000 and subsequently began being quoted on the Electronic Bulletin Board.
 3. The outstanding shares of our then-existing common stock were deemed cancelled and of no further force and effect on May 31, 2001 upon the effectiveness of the Plan.
 4. The Stock was listed on the AMEX on August 27, 2001.

DESCRIPTION OF THE NOTES

Pursuant to the Plan, we have issued a total of \$120,000,000 aggregate principal amount of our 12% Senior Secured Notes due 2009 (the "Notes"). \$84,192,000 of the Notes were distributed upon our emergence from bankruptcy on May 31, 2001, and an additional \$7,873,000 of the Notes have subsequently been distributed. The remaining Notes will be distributed by the Company in one or more distributions in accordance with the terms of the Plan. \$47,289,000 aggregate principal amount of the Notes are being registered by the Company for sale by the Selling Holders pursuant to the Form S-3 Registration Statement filed in connection with this Prospectus.

The following summary is qualified in its entirety by reference to the Indenture, dated June 15, 2001, as amended by the First Amendment of Indenture dated July 6, 2001 (collectively, the "Indenture"), and the Trust Indenture Act of 1939, as amended (the "TIA"), under which the Indenture is qualified, which set forth the full rights, powers and limitations of the Notes. The Indenture has been filed with the SEC as Exhibit T3C to the Companys Application for Qualification of Indenture on Form T-3, filed with the SEC on May 30, 2001, which is incorporated by reference hereto.

Principal, Maturity and Interest

The Plan provides for the issuance of Notes in an aggregate principal amount of \$120,000,000. The Notes bear interest at the rate of 12% per annum. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed. The Notes mature on March 30, 2009, but are subject to optional and mandatory redemptions of principal. See "Redemption" below.

Redemption

Mandatory Redemption. The Notes shall be redeemed, in whole or in part, on each February 28 and August 31, by payment of 100% of Excess Cash Flow, subject to certain financial adjustments. "Excess Cash Flow" is defined in the Indenture to mean consolidated EBITDA for the fiscal six month period expiring on the last day of each December and June, respectively, prior to each Mandatory Redemption Payment Date (such last day, the "Balance Sheet Date", provided, however, that the initial "Balance Sheet Date" shall be designated as December 31, 2001 and the initial Mandatory Redemption Payment Date shall be February 28, 2002), plus certain decreases in the Companys working capital, but less (1) certain taxes, interest, non-cash charges and after-tax losses, (2) expenditures on capital assets, (3) certain increases in working capital, (4) payments or prepayments of principal and fees or other amounts under the Companys credit facility, (5) any optional redemption amount paid by the Company, (6) payments of certain restructuring expenses, and (7) any payments made with respect to certain change of control offers; provided, however, that any payment of Excess Cash Flow shall be reduced to the extent necessary so that, after giving effect to such payment, the amount of cash possessed by the Company as of each respective Balance Sheet Date is at least \$3,000,000. Cash possessed by the Company is determined on a consolidated basis in accordance with generally accepted accounting principles ("GAAP").

Optional Redemption. The Notes are redeemable, at the Companys option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount thereof, plus, in each case, accrued and unpaid interest thereon, if any, to the date of redemption. If the Company shall consummate an equity offering, the proceeds of such offering shall be used to (1) pay (subject to waiver by the lender under the credit facility) amounts owing under the Companys credit facility and (2) make principal payments (subject to waiver by the holders of a

majority in aggregate principal amount of the Notes) on the Notes. In order to effect the foregoing redemption with the proceeds of any equity offering, the Company shall make such redemption not more than 120 days after the consummation of any such equity offering.

Satisfaction and Discharge of Indenture; Defeasance

The Indenture shall be discharged and shall cease to be of further effect (except as to certain surviving rights expressly provided for in the Indenture) as to all outstanding Notes when (a) either (1) all Notes that have been authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has otherwise been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation or (2) all Notes not already delivered to the Trustee for cancellation have become due and payable and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal of and interest on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be; provided that from and after the time of deposit, the money deposited shall not be subject to the rights of the lender under the credit facility; (b) the Company has paid all other sums payable under the Indenture by the Company; and (c) the Company has delivered to the Trustee an officers certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

If the Company at any time deposits with the Trustee U.S. legal tender or U.S. government obligations sufficient to pay the principal of and interest on the Notes to redemption or maturity and complies with the other provisions of the Indenture relating thereto, the Company will be discharged from certain provisions of the Indenture and the Notes (including certain covenants and including, under certain circumstances, its obligation to pay the principal of and interest on the Notes but without affecting the rights of the Holders to receive such amounts from such deposits).

Notes Secured

The Notes are secured, subject to a lien on the assets of the Company by the holder of the Company's credit facility to which the holders of the Notes are subordinated, by a lien in all of the Company's right, title and interest whether now owned or hereafter acquired in, to, and under that portion of the following types of personal property now owned or hereafter acquired by the Company in which a security interest may be granted and perfected under the provisions of Article 9 of the Uniform Commercial Code as in effect on the date of the Indenture in the State of Georgia (the "UCC") and as to which any federal law of the United States has not preempted the UCC with respect to the validity, enforceability, perfection or priority of security interests therein: (1) all accounts (including without limitation health care insurance receivables); (2) all supporting obligations; (3) all letter of credit rights; (4) all letters of credit; (5) all chattel paper (including without limitation electronic chattel paper); (6) all documents; (7) all equipment; (8) all general intangibles (including without limitation payment intangibles); (9) all deposit accounts; (10) all commodity accounts; (11) all commodity contracts; (12) all money; (13) all goods; (14) all instruments; (15) all inventory; (16) all investment property; and (17) to the extent not otherwise included, all proceeds and products of any of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of, each of the foregoing.

Subordination

As of August 24, 2001, there were no outstanding borrowings under our credit facility. The Notes are subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full in cash or cash equivalents of our credit facility. Such subordination is limited so that at no time shall the Notes be subordinated to any portion of the indebtedness under our credit facility in excess of the sum of (1) \$15,000,000, plus (2) accrued interest in respect of the credit facility and fees at any time owing to the lender under the credit facility, in each case as and to the extent provided under the credit facility, plus (3) certain expenses of the lender under the credit facility for enforcement of its rights thereunder.

Covenants

The Indenture imposes certain limitations on the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments or investments, consummate certain asset sales, enter into certain transactions with affiliates, incur liens, impose restrictions on the ability of a subsidiary to pay dividends or make certain payments to the Company and its subsidiaries, merge or consolidate with any other person or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the assets of the Company. Such limitations are subject to a number of important qualifications and exceptions. Pursuant to the covenant with respect to changes of control, upon the occurrence of a Change of Control (as defined in the Indenture), each holder of Notes has the right to require that the Company purchase all or a portion of such holders Notes at a purchase price equal to 100% of the aggregate outstanding principal amount thereof plus all accrued and unpaid interest due thereon.

Events of Default

The following events are defined in the Indenture as "Events of Default":

1. the failure to pay interest on any Notes when the same becomes due and payable and the default continues for a period of 30 days;
2. the failure to pay the principal on any Notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase Notes tendered pursuant to a change of control offer or make a mandatory redemption pursuant to the terms of the Indenture);
3. a default in the observance or performance of any other covenant or agreement contained in the Indenture which default continues for a period of 30 days after the Company receives written notice specifying the default (and demanding that such default be remedied) from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes (except in the case of a default with respect to the "Merger, Consolidation and Sale of Assets" provisions of the Indenture, which will constitute an Event of Default with such notice requirement but without such passage of time requirement);
4. the failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) the principal amount of any Indebtedness (as defined in the Indenture) of the Company or its subsidiaries, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by the Company or such subsidiary of notice of any such acceleration) if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final maturity or which has been accelerated, aggregates \$5,000,000 or more at any time;

5. one or more judgments in an aggregate amount in excess of \$5,000,000 shall have been rendered against the Company or any of its subsidiaries and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable; or
6. certain events of bankruptcy affecting the Company or any of its significant subsidiaries.

Under the Indenture, the Company is required to provide an officers certificate to the Trustee promptly upon any such officer obtaining knowledge of any default or Event of Default (*provided* that such officers shall provide such certification at least annually whether or not they know of any default or Event of Default) that has occurred and, if applicable, describe such default or Event of Default and the status thereof.

Modification of Indenture

Subject to certain exceptions set forth in the Indenture, without notice to or consent of any holder of the Notes, the parties thereto may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes in addition to or in place of certificated Notes, comply with any requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA or comply with the provisions of the Indenture relating to merger, consolidation and sale of assets, or make any other change that does not adversely affect the rights of any holder of a Note. The Indenture or the Notes may be amended or supplemented and past defaults or Events of Default or noncompliance with any provision may be waived with the written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except for provisions with respect to certain economic terms including but not limited to (1) reduction of the number of holders required to amend the Indenture or the Notes, (2) reduction of the rate of interest or changes of dates for interest payments, (3) reductions of the amount of principal due on the Notes or changes of the maturity or principal payment dates, (4) changes in the required currency for payment of the Notes, (5) changes of the provisions protecting the rights of holders to receive payment, (6) changes to the change of control or asset sales provisions, (7) changes to the provisions relating to optional redemptions, and (8) changes to the provisions regarding subordination of the Notes.

The Trustee

If an Event of Default occurs and is continuing, State Street Bank and Trust Company, as trustee under the Indenture (the "Trustee") or the holders of not less than 25% in aggregate principal amount of Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and the TIA. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity reasonably satisfactory to it. The Indenture permits, subject to certain limitations therein provided, holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power subject to certain limitations that protect the Trustee.

The Indenture and the provisions of the TIA contain certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. Subject to the TIA, the Trustee will be permitted to engage in other transactions; *provided* that if the Trustee acquires any conflicting interest as described in the TIA, it must eliminate such conflict or resign.

The Notes have been approved for listing on the AMEX under the symbol "NVI.A."

SELLING SHAREHOLDERS

The following table sets forth the names of the Selling Holders, the number of shares of the Stock and the Notes beneficially owned by each Selling Holder as of August 21, 2001, the percentage of our total outstanding Stock and Notes owned by each Selling Holder as of August 21, 2001, and the maximum number of shares of the Stock and aggregate principal amount of the Notes that may be offered for sale by such Selling Holder pursuant to this Prospectus. The Company will not receive any of the proceeds from any sale of the Stock or the Notes sold hereunder. Except as set forth in the footnotes to the table below, no Selling Holder has had any position, office, or other material relationship with the Company or any of its predecessors or affiliates within the past three years.

	Stock Owned Prior to Offering	Percentage of Stock Prior to Offering	Principal Amount of Notes Owned Prior to Offering	Percentage of Notes Prior to Offering	Stock Offered for Sale	Notes Offered for Sale
Scudder High Yield Series	662,910	13.26%	\$15,956,000	13.30%	662,910	\$15,956,000
Scudder High Yield Fund (a)						
Scudder High Income Trust (a)	73,874	1.48%	\$1,778,000	1.48%	73,874	\$1,778,000
Scudder Multi-Market Income Trust (a)	66,599	1.33%	\$1,603,000	1.34%	66,599	\$1,603,000
Scudder Strategic Income Trust (a)	14,271	0.29%	\$344,000	0.29%	14,271	\$344,000
Scudder Strategic Income Fund (a)	152,506	3.05%	\$3,671,000	3.06%	152,506	\$3,671,000
Scudder Variable Series II	69,397	1.39%	\$1,670,000	1.39%	69,397	\$1,670,000
Scudder High Yield Portfolio (a)						
Scudder Portfolio Trust Scudder High Yield Opportunity Fund (a)	51,208	1.02%	\$1,233,000	1.03%	51,208	\$1,233,000
Scudder Global Opportunities Fund	6,156	0.12%	\$148,000	0.12%	6,156	\$148,000

U.S. High Yield Bond Fund (a)						
Adams Street CBO 1998-LTD. (a)	167,896	3.36%	\$4,041,000	3.37%	167,896	\$4,041,000
Scudder Monthly Income Fund. (a)	11,193	0.22%	\$269,000	0.22%	11,193	\$269,000
U.S. Bancorp Investments, Inc. (b)	688,654	13.77%	\$16,576,000	13.81%	688,654	\$16,576,000

(a) Zurich Scudder Investments, Inc. is the investment manager for this Selling Holder, and may be deemed to hold a beneficial ownership in the shares currently held by such Selling Holder. Zurich Scudder Investments, Inc. served on the Official Committee of Unsecured Creditors of Vista Eyecare, Inc. (n/k/a National Vision, Inc.). Zurich Scudder Investments, Inc. manages accounts which hold in the aggregate approximately 25.5% of the Stock.

(b) U.S. Bancorp Investments, Inc. was a member of the Official Committee of Unsecured Creditors of Vista Eyecare, Inc. (n/k/a National Vision, Inc.).

The Selling Holders may offer and sell all or a portion of the Stock and/or the Notes from time to time, but are under no obligation to offer or sell any of the Stock or the Notes. See "Plan of Distribution." Because the Selling Holders may sell all, none, or any part of the Stock from time to time, no estimate can be given as to the number of shares of the Stock or the aggregate principal amount of the Notes that will be beneficially owned by the Selling Holders upon termination of any offering by them or as to the percentage of the total outstanding Stock or Notes of the Company that the Selling Holders will beneficially own after termination of any offering.

Holders of 5% or more of the Stock as of the effective date of the Plan have been made subject to a lock-up. They have agreed not to sell their Stock for six months, and to sell it only upon the written consent of our Board of Directors for an additional 30 months thereafter. Such consent by our Board of Directors may only be withheld if any such sale would result in or materially increase the likelihood of material adverse tax consequences to the Company.

This Prospectus also covers possible sales by certain presently unknown persons who may become the record or beneficial owners of some of the covered Stock and Notes as a result of certain types of private transactions. See "Plan of Distribution." Each such potential transferee of a named Selling Holder is hereby deemed to be a Selling Holder for purposes of selling the Stock and the Notes using this Prospectus. To the extent required by applicable law, information (including the name and number of shares of the Stock and aggregate principal amount of the Notes owned and proposed to be sold) about such transferees, if there shall be any, will be set forth in an appropriate supplement to this Prospectus.

PLAN OF DISTRIBUTION

The Stock and the Notes may be offered and sold by or for the account of the Selling Holders (or their pledgees, donees, or transferees), from time to time as market conditions permit, on the AMEX, any other exchange on which the Stock or the Notes may be listed, over the counter, or otherwise, at prices and on terms then prevailing or in negotiated transactions. The Stock and the Notes may be sold by one or more of the following methods, without limitation:

- a block trade in which a broker or dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer (including a specialist or market maker) as principal and resale by such broker or dealer for its account pursuant to this Prospectus;
- an underwritten offering, subject to compliance with applicable disclosures concerning the identity and compensation arrangements of each firm acting as underwriter;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- face-to-face transactions between sellers and purchasers without a broker-dealer;
- transactions in options, swaps, or other derivatives (whether exchange listed or otherwise), or settlements of short sales;

- sales in other ways not involving market makers or established trading markets, including direct sales to institutions or individual purchasers; and
- any combination of the foregoing, or by any other legally available means.

In addition, the Selling Holders or their successors in interest may enter into hedging transactions with broker-dealers who may engage in short sales of the Stock or the Notes in the course of hedging the positions they assume with a Selling Holder. The Selling Holders or their successors in interest may also enter into option or other transactions with broker-dealers that require the delivery to such broker-dealers of the shares of the Stock or the Notes which shares of Stock or Notes may be resold thereafter pursuant to this Prospectus.

In effecting sales, brokers or dealers engaged by the Selling Holders may arrange for other brokers or dealers to participate. Such brokers or dealers may receive commissions or discounts from the Selling Holders and/or the purchasers of the Stock and/or the Notes for whom such brokers or dealers act as agents or to whom they sell as principals, or both, in amounts to be negotiated (which compensation as to a particular broker-dealer might be in excess of customary commissions). At the time a particular offer of the Stock or the Notes is made by one or more of the Selling Holders, a prospectus supplement, if required, will be distributed to set forth the aggregate number of shares of the Stock or aggregate principal amount of the Notes being offered and the terms of the

offering, including the name or names of any underwriters, dealers or agents, any discounts, commissions, and other items constituting compensation from the Selling Holders, and any discounts, commissions, or concessions allowed or reallocated or paid to dealers, including the proposed selling price to prospective purchasers. The Selling Holders and such brokers and dealers and any other participating brokers or dealers may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. There can be no assurance, however, that all or any of the Stock or the Notes will be offered by the Selling Holders. See "Selling Shareholders." We know of no existing arrangements between any Selling Holder and any broker, dealer, finder, underwriter, or agent relating to the sale or distribution of the shares.

We will not receive any of the proceeds of any sale of the Stock or the Notes by the Selling Holders. We will bear substantially all expenses of the registration of this offering under the Securities Act, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of our counsel and independent public accountants, fees of the NASD, transfer taxes, fees of transfer agents and registrars, and costs of insurance, if any. All underwriting fees, discounts, and selling commissions applicable to the sale of any Stock or Notes and all out-of-pocket expenses (other than reasonable fees and expenses of one counsel acting on behalf of the Selling Holders as a group) will be borne by the Selling Holders or by such persons other than us as agreed by and among the Selling Holders and such other persons.

We have also agreed to indemnify the Selling Holders and any underwriter any of them may engage to sell their Stock and/or their Notes against certain liabilities in connection with the registration of the shares, including liabilities under the Securities Act. The Selling Holders have agreed to indemnify us against certain liabilities in connection with the registration of the shares, including liabilities under the Securities Act.

EXPERTS

The audited financial statements incorporated by reference in this prospectus and elsewhere in this registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in auditing and accounting in giving said reports.

Reference is made to said reports which includes an explanatory paragraph with respect to the uncertainty regarding the Company's ability to continue as a going concern as discussed in Note 3 to the financial statements.



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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the expenses in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions. All of the amounts

shown are estimated, except the SEC registration fee.

SEC registration fee	\$ 8,702.20
Legal fees and expenses	\$ 40,000.00
Accounting fees and expenses	\$ 5,000.00
Miscellaneous expenses	\$ 1,297.80
Total	\$ 55,000.00

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our Amended and Restated Articles of Incorporation provide that no director will be personally liable to us or our shareholders for monetary damages for breach of duty of care or other duty owed to the Company as a director, except that such provision will only eliminate or limit the liability of a director to the extent permitted from time to time by the Georgia Business Corporation Code or any successor law or laws.

Article V of our Amended and Restated Bylaws authorizes indemnification of our officers and directors for any liability and expense incurred by them in connection with or resulting from any threatened, pending or completed legal action or other proceeding or investigation by reason of such person being or having been an officer or director. An officer or director may only be indemnified if he acted in good faith and in a manner he reasonably believed (a) in the case of conduct in his official capacity, that such conduct was in the best interests of the Company, (b) in all other cases, that such conduct was at least not opposed to the best interests of the Company, and (c) in the case of any criminal proceeding, that the individual had no reasonable cause to believe such conduct was unlawful. No officer or director who has been adjudged liable to the Company or adjudged liable for the improper receipt of a personal benefit is entitled to indemnification.

Any officer or director who has been wholly successful on the merits or otherwise in defense of any proceeding to which he was a party, or in defense of any claim because of his official capacity is entitled to indemnification as to reasonable expenses by the Company as of right. All other determinations in respect of indemnification shall be made: (1) if there are two or more disinterested directors, by a majority vote of all the disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote; (2) by special legal counsel selected in a manner prescribed in (1) of this paragraph, or if there are fewer than two disinterested directors, selected by the board of directors in which selection directors who do not qualify as disinterested directors may participate; or (3) by the affirmative vote of at least two-thirds of the votes cast by shareholders when such determination is put up for shareholder approval, but shares owned by or voted under the control of a director who at the time does not qualify as a disinterested director may not be voted on the determination.

The provisions of our Bylaws on indemnification are consistent in all material respects with the laws of the State of Georgia, which authorize indemnification of corporate officers and directors.

Each of our Directors and certain of our officers have entered into Indemnification Agreements with the Company. In those Agreements, we have agreed to hold harmless and indemnify the signing party to the fullest extent provided by Section 14-2-851 of the Georgia Business Corporation Code, which provides the statutory basis for the indemnification of directors and officers of a Georgia corporation. Subject to certain limitations, we have further agreed to hold harmless and indemnify each director or officer signing an Indemnification Agreement against any and all expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such director or officer in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including an action by or in the right of the Company) to which

such director or officer is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that such director or officer is, was or at any time becomes a director, officer, employee, or agent of the Company, or is or was serving or at any time serves at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise. In addition, if the indemnification provided for above is unavailable, we have agreed to contribute, in certain circumstances, to the amount of expenses, judgments, fines, penalties and settlements paid or payable by such director or officer where we are jointly liable with such director or officer.

Our directors and officers are insured against losses arising from any claim against them as such for wrongful acts or omissions, subject to certain limitations. In addition, our Registration Rights Agreement dated May 31, 2001, by and among the Company and certain holders of our Stock, contains certain provisions pursuant to which certain officers, directors and controlling persons of the Company may be entitled to be indemnified by the holders and Additional Holders (as defined in the Registration Rights Agreement) of the Notes.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

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

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
3.1	Amended and Restated Articles of Incorporation of the Company, dated April 8, 1992, as amended, incorporated by reference to the Companys Registration Statement on Form 8-A filed with the SEC on August 9, 2001.
3.2	Amended and Restated By-Laws of the Company, incorporated by reference to the Companys Registration Statement on Form S-1, registration number 33-46645, filed with the SEC on March 25, 1992, and amendments thereto.
4.6	Indenture, dated as of June 15, 2001, between the Company and State Street Bank and Trust Company, as trustee, incorporated by reference to the Companys Application for Qualification of Indenture on Form T-3 filed with the SEC on May 31, 2001.
4.7	First Amendment of Indenture, dated as of July 6, 2001, between the Company and State Street Bank and Trust Company, as trustee, incorporated by reference to the Companys Registration Statement on Form 8-A filed with the SEC on August 9, 2001.

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4.8	Registration Rights Agreement, dated as of May 31, 2001, among the Company and the Holders (as defined therein) of registrable securities, incorporated by reference to the Companys Amendment to Quarterly Report on Form 10-Q/A filed with the SEC on August 22, 2001.
4.9	Amendment to Registration Rights Agreement, dated as of August 7, 2001, among the Company and the Holders (as defined therein) of registrable securities, incorporated by reference to the Companys Amendment to Quarterly Report on Form 10-Q/A filed with the SEC on August 22, 2001.
4.10	Lock-Up Agreement, dated May 31, 2001, between Scudder High Yield Series Scudder High Yield Fund and the Company.
4.11	Lock-Up Agreement, dated May 31, 2001, between U.S. Bancorp Investments, Inc. and the Company.
5.1	Opinion of Kilpatrick Stockton LLP.
12.1	Statement regarding Computation of Ratios.
23.1	Consent of Arthur Andersen LLP.
23.2	Consent of Kilpatrick Stockton LLP (included in Exhibit 5.1).
(b)	Financial Statement Schedules

Not Applicable.

ITEM 17. UNDERTAKINGS.

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 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 purpose of determining any liability under the Securities Act, 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.

(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.

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(4) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act 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.

Insofar as indemnification for liabilities arising under the Securities 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 SEC such indemnification is against public policy as expressed in the Securities 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 or 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, 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 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lawrenceville, State of Georgia, on September 5, 2001.

NATIONAL VISION, INC.

By: **/s/ James W. Krause**

James W. Krause, Chief Executive Officer,
President and Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James W. Krause and Mitchell Goodman, or either of them, as attorney-in-fact, having the power of substitution, for them in any and all capacities, to sign any amendments to this Registration Statement on Form S-3 and to file the same, with exhibits thereto, and other documents in connection therewith, with the Commission, hereby ratifying and confirming all that said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities indicated on the 23rd day of August, 2001.

Signature

/s/ James W. Krause

James W. Krause

Title

Chief Executive Officer, President
and Chairman of the Board

Senior Vice President and
Chief Financial Officer

/s/ Angus C. Morrison

Angus C. Morrison

/s/ Timothy W. Ranney

Timothy W. Ranney

Vice President and Corporate Controller

/s/ Robert Floum

Robert Floum

Director

/s/ Myrel Neumann

Myrel Neumann

Director

/s/ Jeffrey Snow

Jeffrey Snow

Director

/s/ Peter T. Socha

Peter T. Socha

Director