

CEL SCI CORP
Form 10-Q
May 10, 2012

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 001-11889

CEL-SCI CORPORATION

Colorado
State or other jurisdiction incorporation

84-0916344
(IRS) Employer Identification Number

8229 Boone Boulevard, Suite 802
Vienna, Virginia 22182
Address of principal executive offices

(703) 506-9460
Registrant's telephone number, including area code

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

Edgar Filing: CEL SCI CORP - Form 10-Q

company” in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

Class of Stock	No. Shares Outstanding	Date
Common	256,697,698	May 3, 2012

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

	Page
Item 1. (unaudited)	3
Condensed Consolidated Balance Sheets at March 31, 2012 and September 30, 2011	
Condensed Consolidated Statements of Operations for the six months ended March 31, 2012 and 2011 (unaudited)	4
Condensed Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011 (unaudited)	5
Condensed Consolidated Statement of Cash Flows for the six months ended March 31, 2012 and 2011 (unaudited)	6
Notes to Condensed Consolidated Financial Statements (unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	26
Item 3. Quantitative and Qualitative Disclosures about Market Risks	31
Item 4. Controls and Procedures	31
PART II	
Item 6. Exhibits	32
Signatures	33

CEL-SCI CORPORATION
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2012 AND SEPTEMBER 30, 2011
(UNAUDITED)

ASSETS	MARCH 31, 2012	SEPTEMBER 30, 2011
CURRENT ASSETS:		
Cash and cash equivalents	\$5,268,394	\$ 4,260,594
Receivables	101,458	457,337
Prepaid expenses	1,865,682	2,028,531
Inventory used for R&D and manufacturing	1,368,404	1,571,182
Deferred rent - current portion	677,584	703,274
Total current assets	9,281,522	9,020,918
RESEARCH AND OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS-- less accumulated depreciation and amortization of \$2,504,425 and \$3,034,018		
	834,344	1,032,881
PATENT COSTS--less accumulated amortization of \$1,332,835 and \$1,287,323		
	386,733	414,158
DEFERRED RENT - net of current portion	6,210,419	6,486,566
DEPOSITS	1,670,917	1,670,917
TOTAL ASSETS	\$18,383,935	\$ 18,625,440
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$708,089	\$ 738,951
Accrued expenses	191,201	290,220
Due to employees	22,420	22,789
Related party loan	1,104,057	1,104,057
Convertible note	-	4,999,000
Derivative instruments - current portion	-	69,552
Total current liabilities	2,025,767	7,224,569
Derivative instruments - net of current portion	9,983,230	2,192,521
Deferred revenue	126,500	125,000
Deposits held	5,000	-
Deferred rent	1,767	4,526
Total liabilities	\$12,142,264	\$ 9,546,616

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

Preferred stock, \$.01 par value—authorized 200,000 shares, issued and outstanding, -0-

Common stock, \$.01 par value—authorized 450,000,000 shares; issued and outstanding, 256,597,698 and 214,723,023 shares at March 31, 2012 and September 30, 2011,

respectively	2,565,977	2,147,230
Additional paid-in capital	203,263,177	194,443,905
Accumulated deficit	(199,587,483)	(187,512,311)

Total stockholders' equity	6,241,671	9,078,824
----------------------------	-----------	-----------

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$18,383,935	\$	18,625,440
--------------	----	------------

See notes to consolidated financial statements

CEL-SCI CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
SIX MONTHS ENDED MARCH 31, 2012 and 2011
(UNAUDITED)

	2012	2011
GRANT INCOME AND OTHER	\$ 111,567	\$ 706,633
OPERATING EXPENSES:		
Research and development (excluding R&D depreciation of \$225,282 and \$235,824 respectively, included below)	5,050,420	6,306,525
Depreciation and amortization	281,853	286,288
General & administrative	3,484,927	3,526,850
Total operating expenses	8,817,200	10,119,663
OPERATING LOSS	(8,705,633)	(9,413,030)
OTHER EXPENSES	-	(12,000,000)
(LOSS) GAIN ON DERIVATIVE INSTRUMENTS	(3,247,857)	1,115,692
INTEREST INCOME	57,728	99,586
INTEREST EXPENSE	(179,410)	(82,804)
NET LOSS	(12,075,172)	(20,280,556)
ISSUANCE OF ADDITIONAL SHARES DUE TO RESET PROVISIONS	(250,000)	-
MODIFICATIONS OF WARRANTS	(325,620)	(1,068,369)
INDUCEMENT WARRANTS	(1,593,000)	-
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	\$(14,243,792)	\$(21,348,925)
NET LOSS PER COMMON SHARE		
BASIC	\$(0.06)	\$(0.10)
DILUTED	\$(0.06)	\$(0.10)
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING		
BASIC	237,912,177	206,090,265
DILUTED	237,912,177	206,090,265

See notes to consolidated financial statements.

CEL-SCI CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2012 and 2011
(UNAUDITED)

	2012	2011
GRANT INCOME AND OTHER	\$ 106,543	\$43,815
OPERATING EXPENSES:		
Research and development (excluding R&D depreciation of \$108,531 and \$119,633 respectively, included below)	2,594,235	3,042,097
Depreciation and amortization	143,428	145,141
General & administrative	1,631,237	1,953,573
Total operating expenses	4,368,900	5,140,811
OPERATING LOSS	(4,262,357)	(5,096,996)
OTHER EXPENSES	-	(12,000,000)
(LOSS) GAIN ON DERIVATIVE INSTRUMENTS	(4,204,327)	3,062,087
INTEREST INCOME	28,673	46,707
INTEREST EXPENSE	(55,948)	(41,402)
NET LOSS	(8,493,959)	(14,029,604)
MODIFICATIONS OF WARRANTS INDUCEMENT WARRANTS	-	(1,068,369)
	(1,593,000)	-
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	\$(10,086,959)	\$(15,097,973)
NET LOSS PER COMMON SHARE BASIC	\$(0.04)	\$(0.07)
DILUTED	\$(0.04)	\$(0.09)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	247,369,587	207,089,841
DILUTED	247,369,587	207,089,841

See notes to consolidated financial statements.

CEL-SCI CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 SIX MONTHS ENDED MARCH 31, 2012 AND 2011
 (UNAUDITED)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(12,075,172)	\$(20,280,556)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	281,853	286,288
Issuance of common stock, warrants and options for services	243,708	132,946
Modification of stock options and warrants	36,990	135,988
Employee option cost	1,261,060	