

Lightwave Logic, Inc.  
Form 10-Q  
August 14, 2012

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

\_\_\_\_\_  
**FORM 10-Q**

**(Mark One)**

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

For the quarterly period ended June 30, 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 0-52567

**Lightwave Logic, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
Incorporation or Organization)

**82-049-7368**

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

**111 Ruthar Drive**

**Newark, DE**

(Address of principal executive offices)

**19711**

(Zip Code)

**(302) 356-2717**

(Registrant's telephone number, including area code)

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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) has 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 Website, 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 company” in Rule 12b-2 of the Exchange Act (Check one):

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Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes  No

The number of shares of the registrant's Common Stock outstanding as of August 10, 2012 was 49,506,837.

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**PART I FINANCIAL INFORMATION**

**Item 1**

**Financial Information**

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LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

JUNE 30, 2012

(UNAUDITED)



LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

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## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## BALANCE SHEETS

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
	\$	\$
Cash and cash equivalents	3,623,022	359,824
Prepaid expenses and other current assets	123,424	41,756
	3,746,446	401,580
<b>PROPERTY AND EQUIPMENT - NET</b>	200,501	88,751
<b>OTHER ASSETS</b>		
Intangible assets	488,846	431,104
	\$	\$
<b>TOTAL ASSETS</b>	4,435,793	921,435
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
	\$	\$
Accounts payable	92,118	139,833
Accounts payable - related party	29,178	22,628
Accrued expenses	86,608	75,965
<b>TOTAL LIABILITIES</b>	207,904	238,426
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.001 par value, 1,000,000 authorized No shares issued or outstanding	-	-
Common stock \$0.001 par value, 100,000,000 authorized 49,506,837 and 45,337,092 issued and outstanding at June 30, 2012 and December 31, 2011	49,507	45,337
Additional paid-in-capital	29,952,660	24,513,000
Accumulated deficit	(15,827)	(15,827)
Deficit accumulated during development stage	(25,758,451)	(23,859,501)

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TOTAL STOCKHOLDERS' EQUITY	4,227,889	683,009
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4,435,793	921,435

See accompanying notes to these financial statements.

## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND SIX MONTHS ENDING JUNE 30, 2012 AND 2011 AND FOR THE PERIOD

JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012

(UNAUDITED)

	Cumulative Since Inception	For the Three Months Ending June 30, 2012	For the Three Months Ending June 30, 2011	For the Six Months Ending June 30, 2012	For the Six Months Ending June 30, 2011
	\$	\$	\$	\$	\$
NET SALES	3,200	-	-	-	-
COST AND EXPENSE					
Research and development	11,592,103	455,253	498,041	927,662	964,904
General and administrative	13,836,200	553,860	389,535	851,050	848,780
	25,428,303	1,009,113	887,576	1,778,712	1,813,684
LOSS FROM OPERATIONS	(25,425,103)	(1,009,113)	(887,576)	(1,778,712)	(1,813,684)
OTHER INCOME (EXPENSE)					
Interest income	30,820	124	149	322	327
Dividend income	1,551	-	-	-	-
Realized gain on investment	3,911	-	-	-	-
Realized gain on disposal of assets	637	-	-	-	-
	(47,500)				

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Litigation settlement Interest expense and commitment fee	(322,767)	(18,615)	(166,475)	(120,560)	(166,540)
	\$	\$	\$	\$	\$
NET LOSS	(25,758,451)	(1,027,604)	(1,053,902)	(1,898,950)	(1,979,897)
Basic and Diluted Loss per Share	\$	\$	\$	\$	\$
		(0.02)	(0.02)	(0.04)	(0.04)
Basic and Diluted Weighted Average Number of Shares		49,055,806	44,090,488	47,893,907	44,028,664

See accompanying notes to these financial statements.

## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012

(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Unrealized Loss on Securities	Accumulated Deficit	Deficit Accumulated During Development Stage	T
ENDING BALANCE AT DECEMBER 31, 2003	100	\$ 1	\$ -	\$ -	\$ -	\$ -	(15,827)	\$ -	(
Retroactive recapitalization upon reverse acquisition	706,973	706	(706)	-	-	-	-	-	-
BALANCE AT JANUARY 1, 2004	707,073	707	(706)	-	-	-	(15,827)	-	(
Common stock issued to founders	13,292,927	13,293	(13,293)	-	-	-	-	-	-
Common stock issued for future services in July 2004 at \$0.16/share	1,600,000	1,600	254,400	-	-	-	-	-	2
	2,000,000	2,000	(2,000)	-	-	-	-	-	-

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Common stock issued at merger									
Common stock issued for future services in August 2004 at \$0.12/share	637,500	638	74,362	-	-	-	-	-	-
Conversion of note payable in December 2004 at \$0.16/share	187,500	187	29,813	-	-	-	-	-	-
Net loss for the year ended December 31, 2004	-	-	-	-	-	-	-	(722,146)	(722,146)
<b>BALANCE AT DECEMBER 31, 2004</b>	<b>18,425,000</b>	<b>18,425</b>	<b>342,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,827)</b>	<b>(722,146)</b>	<b>(722,146)</b>
Common stock issued in private placement in April 2005 at \$0.25/share	4,000,000	4,000	996,000	-	-	-	-	-	-
Conversion of notes payable in May 2005 at \$0.16/share	3,118,750	3,119	495,881	-	-	-	-	-	-
Subscription receivable	-	-	-	(6,500)	-	-	-	-	-
Common stock issued for future services in August 2005, valued at \$2.79/share	210,000	210	585,290	-	-	-	-	-	-
Common stock issued for future services in August 2005, valued at \$2.92/share	200,000	200	583,800	-	-	-	-	-	-
Warrants issued for services in May 2005, vested during 2005, valued at \$1.13/share	-	-	37,000	-	-	-	-	-	-

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Warrants issued for services in September 2005, vested during 2005, valued at \$1.45/share	-	-	24,200	-	-	-	-	-	-
Warrants issued for services in October 2005, vested during 2005, valued at \$0.53/share	-	-	15,900	-	-	-	-	-	-
Warrants issued for future services in December 2005, vested during 2005, valued at \$1.45/share	-	-	435,060	-	-	-	-	-	4
Deferred charges for common stock issued for future services in August 2005, valued at \$2.92/share	-	-	-	-	(584,000)	-	-	-	(5)
Amortization of deferred charges	-	-	-	-	265,455	-	-	-	2
Exercise of warrants in December 2005 at \$0.25/share	300,000	300	74,700	-	-	-	-	-	-
Net loss for the year ended December 31, 2005	-	-	-	-	-	-	-	(1,721,765)	(1,7)
<b>BALANCE AT DECEMBER 31, 2005</b>	<b>26,253,750</b>	<b>26,254</b>	<b>3,590,407</b>	<b>(6,500)</b>	<b>(318,545)</b>	<b>-</b>	<b>(15,827)</b>	<b>(2,443,911)</b>	<b>8</b>
Common stock issued in private placement during 2006 at \$0.50/share	850,000	850	424,150	-	-	-	-	-	4

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Common stock issued for future services in February 2006, valued at \$0.90/share	300,000	300	269,700	-	-	-	-	-	2
Common stock issued for future services in May 2006, valued at \$1.55/share	400,000	400	619,600	-	-	-	-	-	6
Common stock issued for future services in June 2006, valued at \$1.45/share	25,000	25	36,225	-	-	-	-	-	-
Common stock issued for future services in November 2006, valued at \$0.49/share	60,000	60	29,340	-	-	-	-	-	-
Warrants issued for services in September 2005, vested during 2006, valued at \$1.45/share	-	-	66,500	-	-	-	-	-	-
Warrants issued for future services in June 2006, vested during 2006, valued at \$1.55/share	-	-	465,996	-	-	-	-	-	4
Options issued for services in February 2006, vested during 2006, valued at \$1.01/share	-	-	428,888	-	-	-	-	-	4
Contributed capital related to accrued interest	-	-	35,624	-	-	-	-	-	-
Subscription receivable	-	-	-	6,500	-	-	-	-	-
Amortization of deferred	-	-	-	-	318,545	-	-	-	3

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charges											
Unrealized gain											
(loss) on securities	-	-	-	-	-	(26,000)	-	-	(		
Net loss for the year ending December 31, 2006	-	-	-	-	-	-	-	(2,933,809)	(2,9		
 BALANCE AT DECEMBER 31, 2006	 27,888,750\$	 27,889\$	 5,966,430 \$	 -	 \$	 -	 \$	 (26,000)\$	 (15,827)\$	 (5,377,720)\$	 5

See accompanying notes to these financial statements.

## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012  
(CONTINUED)

(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Unrealized Loss on Securities	Accumulated Deficit	Deficit Accumulated During Development Stage
BALANCE AT DECEMBER 31, 2006	27,888,750	\$ 27,889	\$ 5,966,430	\$ -	\$ -	\$(26,000)	\$(15,827)	\$(5,377,720)
Common stock issued in private placement during 2007 at \$0.50/share	2,482,000	2,482	1,238,518	-	-	-	-	-
Common stock issued in private placement during 2007 at \$0.60/share	1,767,540	1,768	1,058,756	-	-	-	-	-
Common stock subscription rescinded during 2007 at \$0.50/share	(400,000)	(400)	(199,600)	-	-	-	-	-
Common stock issued for	151,785	152	106,098	-	-	-	-	-

future services in February 2007, valued at \$0.70/share Common stock issued for future services in March 2007, valued at \$0.58/share Common stock issued for services and settlement for accounts payable in April 2007, valued at \$0.35/share Common stock issued for services in October 2007, valued at \$0.68/share Common stock issued for services in October 2007, valued at \$0.90/share Common stock issued for services in November 2007, valued at \$0.72/share Warrants issued for services in September 2005, vested during 2007, valued at \$1.45/share Warrants issued for services in March 2007, vested during 2007, valued at \$0.63/share	1,000,000	1,000	579,000	-	-	-	-	-
	100,000	100	34,900	-	-	-	-	-
	150,000	150	101,850	-	-	-	-	-
	150,000	150	134,850	-	-	-	-	-
	400,000	400	287,600	-	-	-	-	-
	-	-	36,370	-	-	-	-	-
	-	-	52,180	-	-	-	-	-

Warrants issued for services in April 2007, vested during 2007, valued at \$0.69/share	-	-	293,476	-	-	-	-	-
Warrants issued for services in April 2007, vested during 2007, valued at \$0.63/share	-	-	140,490	-	-	-	-	-
Warrants issued for services in May 2007, vested during 2007, valued at \$0.56/share	-	-	52,946	-	-	-	-	-
Warrants issued for services in October 2007, vested during 2007, valued at \$0.61/share	-	-	61,449	-	-	-	-	-
Warrants issued for services in October 2007, vested during 2007, valued at \$0.78/share	-	-	52,292	-	-	-	-	-
Warrants issued for services in December 2007, vested during 2007, valued at \$0.55/share	-	-	1,159	-	-	-	-	-
Options issued for services in February 2006, vested during 2007, valued at \$1.01/share	-	-	17,589	-	-	-	-	-
Options issued for services in	-	-	43,757	-	-	-	-	-

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February 2006, vested during 2007, valued at \$1.09/share Options issued for services in November 2007, vested during 2007, valued at \$0.60/share	-	-	41,653	-	-	-	-	-	-
Warrants issued for future services in April 2007, vested during 2007, valued at \$0.70/share	-	-	348,000	-	-	-	-	-	-
Deferred charges for common stock issued for future services in March 2007, valued at \$0.58/share	-	-	-	-	(928,000)	-	-	-	-
Amortization of deferred charges	-	-	-	-	773,333	-	-	-	-
Unrealized gain (loss) on securities	-	-	-	-	-	(32,610)	-	-	-
Net loss for the year ending December 31, 2007	-	-	-	-	-	-	-	-	(4,223,449)
<b>BALANCE AT DECEMBER 31, 2007</b>	<b>33,690,075</b>	<b>33,690</b>	<b>10,449,763</b>	<b>-</b>	<b>(154,667)\$</b>	<b>(58,610)</b>	<b>(15,827)</b>	<b>(9,601,169)</b>	<b>(4,223,449)</b>
Common stock issued in private placement during 2008 at \$0.60/share	690,001	690	413,310	-	-	-	-	-	-
Common stock issued for services in March 2008,	100,000	100	74,900	-	-	-	-	-	-

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valued at \$0.75/share Common stock issued for services in August 2008, valued at \$1.80/share	200,000	200	359,800	-	-	-	-	-
Exercise of warrants at \$0.25/share	320,000	320	79,680	-	-	-	-	-
Exercise of warrants at \$0.25/share, pursuant to November 2008 adjusted stock offering	641,080	641	159,629	-	-	-	-	-
Exercise of warrants at \$0.50/share	270,000	270	134,730	-	-	-	-	-
Warrants issued for services in September 2005, vested during 2008, valued at \$1.45/share	-	-	27,014	-	-	-	-	-
Warrants issued for services in March 2007, vested during 2008, valued at \$0.63/share	-	-	10,885	-	-	-	-	-
Warrants issued for services in April 2007, vested during 2008, valued at \$0.69/share	-	-	121,713	-	-	-	-	-
Warrants issued for services in April 2007, vested during 2008, valued at \$0.63/share	-	-	48,738	-	-	-	-	-
	-	-	31,444	-	-	-	-	-

Warrants issued for services in May 2007, vested during 2008, valued at \$0.56/share								
Warrants issued for services in December 2007, vested during 2008, valued at \$0.55/share	-	-	12,487	-	-	-	-	-
Options issued for services in November 2007, vested during 2008, valued at \$0.60/share	-	-	286,803	-	-	-	-	-
Options issued for services in January 2008, vested during 2008, valued at \$0.60/share	-	-	30,750	-	-	-	-	-
Options issued for services in July 2008, vested during 2008, valued at \$1.48/share	-	-	114,519	-	-	-	-	-
Options issued for services in August 2008, vested during 2008, valued at \$1.36/share	-	-	525,263	-	-	-	-	-
Options issued for services in November 2008, vested during 2008, valued at \$0.50/share	-	-	6,439	-	-	-	-	-
Warrants issued for future services in March 2008,	-	-	332,000	-	(332,000)	-	-	-

vested through September 2008, valued at \$0.83/share Warrants issued for services in May 2008, vested through September 2008, valued at \$1.63/share	-	-	976,193	-	-	-	-	-
Amortization of deferred charges	-	-	-	-	431,337	-	-	-
Receivable for the issuance of common stock	-	-	-	(12,500)	-	-	-	-
Realized loss reclassification	-	-	-	-	-	58,610	-	-
Net loss for the year ending December 31, 2008	-	-	-	-	-	-	-	(4,340,607) (4
 BALANCE AT DECEMBER 31, 2008	35,911,156\$	35,911	\$14,196,060	\$ (12,500)	\$ (55,330)	- \$	(15,827)\$	(13,941,776)\$

See accompanying notes to these financial statements.

## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012  
(CONTINUED)

(UNAUDITED)

	Number of	Common	Paid-in	Subscription Receivable/ Receivable	Deferred	Unrealized Loss on Securities	Accumulated	Deficit Accumulated		Total
3	Shares	Stock	Capital	for Issuance of Common Stock	Charges		Deficit	During		
								Development		
								Stage		
BALANCE AT DECEMBER 31, 2008	35,911,156	\$ 35,911	14,196,060	\$ (12,500)	\$ (55,330)	\$ -	\$ (15,827)	\$ (13,941,776)		\$ 206,000
Rights to purchase shares issued in January 2009, vested during 2009, valued at \$0.33/share Common stock issued for services in January 2009, valued at \$0.58/share Common stock issued for services & settlement for	-	-	132,058	-	-	-	-	-	-	132,058
	100,000	100	57,900	-	-	-	-	-	-	58,000
	100,000	100	24,900	-	-	-	-	-	-	25,000

accounts payable									
January 2009									
valued at \$0.25/share									
Exercise of purchase right agreement in January 2009 at \$0.25/share	180,550	181	44,957	-	-	-	-	-	45,000
Exercise of warrants at \$0.25/share, pursuant to November 2008 adjusted stock offering	1,279,336	1,279	318,555	-	-	-	-	-	319,000
Exercise of warrants at \$0.001/share	400,000	400	-	-	-	-	-	-	-
Exercise of warrants at \$1.00/share	355,000	355	354,645	-	-	-	-	-	355,000
Options issued for services in November 2007, vested during 2009, valued at \$0.60/share	-	-	199,234	-	-	-	-	-	199,000
Options issued for services in January 2008, vested during 2009, valued at \$0.60/share	-	-	13,583	-	-	-	-	-	13,000
Options issued for services in July 2008, vested during 2009, valued at \$1.48/share	-	-	67,838	-	-	-	-	-	67,000
Options issued for services in August 2008, vested during 2009, valued	-	-	623,246	-	-	-	-	-	623,000

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at \$1.36/share									
Options issued for services in November 2008, vested during 2009, valued at \$0.50/share	-	-	61,346	-	-	-	-	-	61,346
Options issued for services in January 2009, vested during 2009, valued at \$0.53/share	-	-	13,136	-	-	-	-	-	13,136
Options issued for services in February 2009, vested during 2009, valued at \$0.38/share	-	-	9,583	-	-	-	-	-	9,583
Options issued for services in June 2009, vested during 2009, valued at \$0.85/share	-	-	21,085	-	-	-	-	-	21,085
Warrants issued for services in June 2009, vested during 2009, valued at \$0.85/share	-	-	177,881	-	-	-	-	-	177,881
Contribution of accrued payroll in February 2009	-	-	52,129	-	-	-	-	-	52,129
Amortization of deferred charges	-	-	-	-	55,330	-	-	-	55,330
Payment for the issuance of common stock	-	-	-	12,500	-	-	-	-	12,500
	116,000	116	39,884	-	-	-	-	-	40,000

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Common stock issued for services in June 2009, valued at \$0.34/share	145,000	145	49,855	-	-	-	-	-	50,000
Common stock issued for services & settlement for accounts payable June 2009 valued at \$0.34/share									
Common stock issued in private placement during June 2009 at \$0.34/share	2,479,500	2,480	852,520	-	-	-	-	-	855,000
Common stock issued for services in July 2009, valued at \$0.75/share	100,000	100	74,900	-	-	-	-	-	75,000
Net loss for the year ending December 31, 2009	-	-	-	-	-	-	-	(2,721,871)	(2,721,871)
<b>BALANCE</b>									
AT December 31, 2009	41,166,542	41,167	17,385,295	-	-	-	(15,827)	(16,663,647)	746,000
Options issued for services in November 2007, vested during 2010, valued at \$0.60/share	-	-	174,866	-	-	-	-	-	174,866
Options issued for services in January 2008, vested during 2010, valued	-	-	14,873	-	-	-	-	-	14,873

at \$0.60/share Options issued for services in July 2008, vested during 2010, valued at \$1.48/share	-	-	74,061	-	-	-	-	-	74,061
Options issued for services in August 2008, vested during 2010, valued at \$1.36/share	-	-	643,812	-	-	-	-	-	643,812
Options issued for services in November 2008, vested during 2010, valued at \$0.50/share	-	-	31,478	-	-	-	-	-	31,478
Warrants issued for services in June 2009, vested during 2010, valued at \$0.85/share	-	-	213,459	-	-	-	-	-	213,459
Warrants issued for services in January 2010, vested during 2010, valued at \$1.83/share	-	-	580,167	-	-	-	-	-	580,167
Warrants issued for services in March 2010, vested during 2010, valued at \$1.86/share	-	-	214,063	-	-	-	-	-	214,063
Options issued for services in August 2010, vested during 2010, valued at \$1.31/share	-	-	27,434	-	-	-	-	-	27,434

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Options issued for services in December 2010, vested during 2010, valued at \$1.14/share	-	-	286,002	-	-	-	-	-	286,002
Exercise of warrants at \$0.25/share	947,200	947	235,853	-	-	-	-	-	236,799
Exercise of options at \$0.25/share	15,000	15	3,735	-	-	-	-	-	3,750
Exercise of warrants at \$0.345/share	10,000	10	3,440	-	-	-	-	-	3,450
Exercise of warrants at \$0.50/share	25,000	25	12,475	-	-	-	-	-	12,500
Exercise of warrants at \$1.00/share	282,500	283	282,218	-	-	-	-	-	282,501
Common stock issued in private placement during 2010 at \$1.00/share	1,500,000	1,500	1,498,500	-	-	-	-	-	1,500,000
Common stock issued for services in August 2010, valued at \$1.25/share	4,800	4	5,996	-	-	-	-	-	6,000
Common stock issued for services in November 2010, valued at \$0.93/share	5,000	5	4,645	-	-	-	-	-	4,650
Common stock issued for services in December 2010, valued at \$01.20/share	10,000	10	11,990	-	-	-	-	-	12,000
Net loss for the year ending	-	-	-	-	-	-	-	(3,713,232)	(3,713,232)

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December 31,  
2010

BALANCE									
AT									
DECEMBER	43,966,042	\$ 43,966	21,704,361	\$ -	\$ -	\$ -	\$ (15,827)		\$ 1,355
31, 2010							(20,376,879)		

See accompanying notes to these financial statements.

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## LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012  
(CONTINUED)

(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Unrealized Loss on Securities	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
BALANCE AT DECEMBER 31, 2010	43,966,042	\$ 43,966	\$ 21,704,361	\$ -	\$ -	\$ -	\$ (15,827)	\$ (20,376,879)	\$ 1,355,620
Common stock issued for services in March 2011, valued at \$1.45/share	10,000	10	14,490	-	-	-	-	-	14,500
Options issued for services in January 2008, vested during 2011, valued at \$0.60/share	-	-	285	-	-	-	-	-	285
Options issued for services in July 2008, vested during 2011, valued at \$1.48/share	-	-	39,829	-	-	-	-	-	39,829

Options issued for services in August 2008, vested during 2011, valued at \$1.36/share	-	-	383,881	-	-	-	-	-	383,881
Options issued for services in November 2008, vested during 2011, valued at \$0.50/share	-	-	26,648	-	-	-	-	-	26,648
Warrants issued for services in January 2010, vested during 2011, valued at \$1.83/share	-	-	306,765	-	-	-	-	-	306,765
Warrants issued for services in March 2010, vested during 2011, valued at \$1.86/share	-	-	64,983	-	-	-	-	-	64,983
Options issued for services in August 2010, vested during 2011, valued at \$1.31/share	-	-	65,447	-	-	-	-	-	65,447
Options issued for services in December 2010, vested during 2011, valued at \$1.14/share	-	-	212,136	-	-	-	-	-	212,136
Warrants issued for services in January 2011, vested during 2011, valued at \$1.05/share	-	-	36,585	-	-	-	-	-	36,585

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Warrants issued for services in April 2011, vested during 2011, valued at \$0.98/share	-	-	109,820	-	-	-	-	-	109,820
Options issued for services in May 2011, vested during 2011, valued at \$0.97/share	-	-	79,702	-	-	-	-	-	79,702
Options issued for services in August 2011, vested during 2011, valued at \$0.82/share	-	-	17,204	-	-	-	-	-	17,204
Options issued for services in November 2011, vested during 2011, valued at \$0.53/share	-	-	4,384	-	-	-	-	-	4,384
Options issued for services in December 2011, vested during 2011, valued at \$0.82/share	-	-	53,124	-	-	-	-	-	53,124
Warrants issued for services in December 2011, vested during 2011, valued at \$1.05/share	-	-	1,288	-	-	-	-	-	1,288
Common stock issued for commitment shares, valued at \$1.08/share	150,830	151	162,746	-	-	-	-	-	162,890

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Common stock issued to institutional investor, valued at \$1.08/share	185,185	185	199,815	-	-	-	-	-	200,000
Common stock issued for additional commitment shares, valued at \$1.15/share	3,017	3	3,467	-	-	-	-	-	3,470
Common stock issued for services in June 2011, valued at \$1.04/share	10,000	10	10,390	-	-	-	-	-	10,400
Common stock issued in private placement during 2011 at \$1.00/share	1,000,000	1,000	999,000	-	-	-	-	-	1,000,000
Common stock issued for services in September 2011, valued at \$1.45/share	10,000	10	14,490	-	-	-	-	-	14,500
Common stock issued for services in May 2011 through August 2011, valued at \$0.90/share to \$1.25/share	2,018	2	2,161	-	-	-	-	-	2,160
Net loss for the nine months ending December 31, 2011	-	-	-	-	-	-	-	(3,482,622)	(3,482,622)
BALANCE AT DECEMBER 31, 2011	45,337,092	\$ 45,337	\$ 24,513,000	\$ -	\$ -	\$ -	\$ (15,827)	\$ (23,859,501)	\$ 683,000

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2012  
(CONTINUED)

(UNAUDITED)

			Subscription Receivable/ Receivable	Deficit Accumulated
Number of	Common	Paid-in	for Issuance	