

NANOIRICIDES, INC.
Form 10-Q
November 14, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended September 30, 2013

Commission File Number: 333-148471

NANOIRICIDES, INC.

(Exact name of Company as specified in its charter)

NEVADA 76-0674577
(State or other jurisdiction) (IRS Employer Identification No.)
of incorporation or organization)

135 Wood Street, Suite 205

West Haven, Connecticut 06516

(Address of principal executive offices and zip code)

(203) 937-6137

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(Company's telephone number, including area code)

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Company 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 Company 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 Company was required to submit and post such files). Yes No

Indicate by check mark whether the Company is a larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

Yes No

The number of shares outstanding of the Company's Common Stock as of November 14, 2013 was: 50,028,701.

NanoViricides, Inc.

FORM 10-Q

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Nanoviricides, Inc.

(A Development Stage Company)

Balance Sheets

	September 30, 2013 (Unaudited)	June 30, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,200,882	\$ 13,923,245
Prepaid expenses	805,145	598,380
Other current assets	-	-
Total Current Assets	20,006,027	14,521,625
PROPERTY AND EQUIPMENT		
Property and equipment	3,779,636	1,505,648
Accumulated depreciation	(1,089,471)	(1,036,752)
Property and equipment, net	2,690,165	468,896
TRADEMARK		
Trademark	458,954	458,954
Accumulated amortization	(44,114)	(41,921)
Trademark, net	414,840	417,033
SECURITY DEPOSIT	2,000,000	1,000,000
Total Assets	\$ 25,111,032	\$ 16,407,554
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 408,058	\$ 263,258
Accounts payable – related parties	1,139,825	710,567
Accrued expenses	319,612	204,359
Total Current Liabilities	1,867,495	1,178,184
Debentures payable	3,603,554	3,468,073
Derivative liability	7,888,736	3,751,645

Total Long Term Liabilities	11,492,290	7,219,718
Total Liabilities	13,359,785	8,397,902

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY:

Series A Convertible Preferred stock, \$0.001 par value, 2,990,000 shares designated, 2,990,000 shares issued and outstanding	2,990	2,990
Series B Convertible Preferred stock, \$0.001 par value, 10,000,000 shares designated, 0, and 0 shares issued and outstanding, respectively	-	-
Series C Convertible Preferred stock, \$0.001 par value, 10,000,000 shares designated, 0 and 0 shares issued and outstanding, respectively	-	-
Common stock, \$0.001 par value; 85,714,285 shares authorized; 50,028,701 and 47,026,173 shares issued and outstanding, respectively	50,029	47,026
Additional paid-in capital	56,270,792	46,259,420
Deficit accumulated during the development stage	(44,572,564)	(38,299,784)
Total Stockholders' Equity	11,751,247	8,009,652
Total Liabilities and Stockholders' Equity	\$ 25,111,032	\$ 16,407,554

See accompanying notes to the financial statements

Nanoviricides, Inc.

(A Development Stage Company)

Statements of Operations

(Unaudited)

	For the Three Months Ended September 30, 2013 (Unaudited)	For the Three Months Ended September 30, 2012 (Unaudited)	For the Period from May 12, 2005 (inception) through September 30, 2013 (Unaudited)
OPERATING EXPENSES			
Research and development	\$ 1,174,221	\$ 1,209,818	\$ 23,978,281
Refund credit research and development costs	-	-	(420,842)
General and administrative	714,561	381,167	13,729,409
Total operating expenses	1,888,782	1,590,985	37,286,848
LOSS FROM OPERATIONS	(1,888,782)	(1,590,985)	(37,286,848)
OTHER INCOME (EXPENSE):			
Interest income, net	9,560	33,303	277,258
Interest expense	(120,986)	-	(298,024)
Discount on convertible debentures	(135,481)	-	(1,123,914)
Beneficial conversion feature of convertible debentures	-	-	(713,079)
Change in fair market value of derivatives	(4,137,091)	(246,273)	(5,427,957)
Other income (expense), net	(4,383,998)	(212,970)	(7,285,716)
LOSS BEFORE INCOME TAXES	(6,272,780)	(1,803,955)	(44,572,564)
INCOME TAX PROVISION	-	-	-
NET LOSS	\$ (6,272,780)	\$ (1,803,955)	\$ (44,572,564)
NET LOSS PER COMMON SHARE			
- BASIC AND DILUTED:	\$ (0.13)	\$ (0.04)	

Weighted average common shares outstanding - basic and diluted	47,672,029	41,305,842
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See accompanying notes to the financial statements

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NanoViricides, Inc.

(A Development Stage Company)

Statement of Stockholders' Equity

For the Fiscal Year Ended June 30, 2013, 2012 and 2011

	Series A Preferred Stock: Par \$0.001	Series B Preferred Stock: Par \$0.001	Series C Preferred Stock: \$0.001 Par \$0.001	Common Stock: Par \$0.001	Additional Paid-in Capital	Stock Subscription Receivable	Deficit Accrued During Development Stage
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Amount	Amount	Amount

Please refer to Form 10K for the fiscal year ended June 30, 2011 filed with SEC on October 13, 2011 for equity transactions of June 30, 2009

Balance, June 30, 2009	-	\$-	-	\$-	\$ 125,299,457	\$125,299	\$14,455,778	\$(100,000)	\$(11,900)
Collection of stock subscription receivable								100,000	
Common shares issued for consulting and legal services valued at \$.66 per share, July 31, 2009				7,576	8	4,992			
Common shares issued for consulting services valued at \$.66 per share, July 31, 2009				8,485	8	5,592			
Warrants issued to Scientific Advisory Board,						41,400			

August 15, 2009 Common shares issued for consulting and legal services valued at \$.86 per share, August 31, 2009	6,512	7	4,993
Common shares issued for consulting services valued at \$.86 per share, August 31, 2009	5,814	6	5,594
Common shares issued for consulting services valued at \$.89 per share, September 30, 2009	6,292	6	5,594
Common shares issued for consulting and legal services valued at \$.89 per share, September 30, 2009	5,618	6	4,994
Payment of Finder's Fee Common shares and warrants issued in connection with private placement of common stock, September 30, 2009			(5,250)
Common shares and warrants issued in connection with warrant conversion, September 30, 2009	2,675,000	2,675	1,334,825
Common shares issued for consulting and	3,759,800	3,760	1,876,140
	35,088	35	19,965

legal services valued at \$.57 per share, October 1, 2009 Common shares issued for Legal services valued at \$56.50 per share, October 26, 2009	12,500	13	7,050
Warrants issued for commissions, October 26, 2009			3,570
Common shares issued for consulting and legal services valued at \$.73 per share, October 31, 2009	6,859	7	4,993
Common shares issued for consulting services valued at \$.73 per share, October 31, 2009	7,682	8	5,592
Common shares issued upon conversion of Warrants, November 10, 2009	10,000	10	1,430
Warrants issued to Scientific Advisory Board, November 15, 2009			39,600
Common shares issued in payment of accounts payable, November 25, 2009	32,500	33	25,167
Common shares issued for consulting and legal services valued at \$.86 per share, November 30, 2009	5,814	6	4,994
	9,767	10	8,390

Common shares issued for consulting services valued at \$.86 per share, November 30, 2009			
Common shares issued for consulting services valued at \$.85 per share, December 31, 2009	9,917	10	8,390
Common shares issued for consulting and legal services valued at \$.85 per share, December 31, 2009	5,903	6	4,994
Common shares issued for consulting and legal services valued at \$1.043 per share, January 31, 2010	4,794	5	4,995
Warrants issued to Scientific Advisory Board, February 15, 2010			40,200
Series A Preferred Shares issued for TheraCour license valued at \$.001 par value, February 15, 2010	7,000,000	7,000	
Common shares issued for consulting services valued at \$1.096 per share, February 28, 2010	4,562	5	4,995
Common shares issued for	125,000	125	156,125

employee stock compensation valued at \$1.25 per share, March 3, 2010			
Common shares issued for employee stock compensation valued at \$1.25 per share, March 3, 2010		125,000	125
Series A Preferred Shares issued for employee stock compensation, March 3, 2010	250,000	250	513,573
Series A Preferred Shares issued for employee stock compensation, March 3, 2010	250,000	250	513,573
Series A Preferred Shares issued for employee stock compensation, March 3, 2010	93,750	94	192,590
Common shares issued for consulting and legal services valued at \$1.25 per share, March 3, 2010		1,000	1
Common shares issued for consulting services valued at \$1.417 per share, March 31, 2010		3,529	4
Common shares issued in lieu of payment of accounts payable - All Sciences		39,625	40
Common shares issued for		2,396	2
			4,998

consulting and legal services valued at \$2.087 per share, April 30, 2010				
Series B Preferred Shares issued to SeaSide 88, LP, May 12, 2010	500,000	500		4,999,500
Placement Agents Fees related to sale of Convertible Preferred shares, May 12, 2010				(400,000)
Legal Fees related to Sale of Convertible Preferred Stock, May 12, 2010				(50,000)
Derivative Liability - Issuance of Series B Preferred Shares				(1,787,379)
Common shares issued for conversion of Series B Preferred Shares at \$1.88 per share, May 12, 2010			319,331	319
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, May 12, 2010	(60,000)	(60)		
Derivative Liability - Retirement of Series B Preferred Shares, May 12, 2010				128,053
Warrants issued to Scientific Advisory Board, May 15, 2010				82,800

Common shares issued for conversion of Series B Preferred Shares at \$1.51 per share, May 26, 2010	398,189	398	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, May 26, 2010	(60,000)	(60)	
Dividend paid to Seaside 88, LP, May 26, 2010			(16,877)
Common shares issued as Dividend to Seaside 88, LP at \$1.64, May 26, 2010	10,300	10	16,867
Derivative Liability - Retirement of Series B Preferred Shares, May 26, 2010			151,852
Common shares issued for consulting and legal services valued at \$2.083 per share, May 31, 2010	2,400	2	4,998
Common shares issued for conversion of warrants to Common Stock at \$1.00 per share, June 9, 2010	195,000	195	194,805
Common shares issued for conversion of Series B Preferred Shares at \$1.41 per	426,721	427	

share, June 9, 2010			
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, June 9, 2010	(60,000)	(60)	
Dividend paid to Seaside 88, LP, June 9, 2010			(14,575)
Common shares issued as Dividend to Seaside 88, LP at \$1.41, June 9, 2010	10,366	10	14,565
Derivative Liability - Retirement of Series B Preferred Shares, June 9, 2010			149,364
Common shares issued for consulting and legal services valued at \$1.77 per share, June 9, 2010	11,300	11	19,989
Common shares issued for consulting and legal services valued at \$1.77 per share, June 9, 2010	2,000	2	3,538
Common shares issued for conversion of Series B Preferred Shares at \$1.59 per share, June 23, 2010	377,905	378	
Retirement of Series B Preferred Shares converted into common stock by	(60,000)	(60)	

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SeaSide 88, LP, June 23, 2010 Dividend paid to Seaside 88, LP, June 23, 2010							(12,274)		
Common shares issued as Dividend to Seaside 88, LP at \$1.59, June 23, 2010					7,731	7	12,268		
Derivative Liability - Retirement of Series B Preferred Shares, June 23, 2010							120,254		
Common shares issued for consulting and legal services valued at \$1.043 per share, June 30, 2010					2,738	2	4,998		
Net loss									(4,740)
Balance, June 30, 2010	7,593,750	7,594	260,000	260	133,980,471	133,981	23,116,612	-	(16,740)
Common shares issued for conversion of Series B Preferred Shares at \$1.51 per share, July 7, 2010					397,088	397			
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, July 7, 2010			(60,000)	(60)					
Dividend paid to Seaside 88, LP, July 7, 2010							(9,973)		
Common shares issued as dividend to					6,061	6	9,967		

Seaside 88, LP at \$1.65 per share, July 7, 2010 Derivative liability - retirement of Series B Preferred Shares, July 7, 2010				116,715
Common shares issued for conversion of Series B Preferred Shares at \$1.30 per share, July 21, 2010	463,177	463		
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, July 21, 2010	(60,000)	(60)		
Dividend paid to Seaside 88, LP, July 21, 2010				(7,671)
Common shares issued as dividend to Seaside 88, LP at \$1.32 per share, July 21, 2010	5,794	6	7,665	
Derivative liability - retirement of Series B Preferred Shares, July 21, 2010				113,700
Common shares issued for consulting and legal services valued at \$2.087 per share, July 31, 2010	3,086	3	4,997	
Common shares issued for conversion of Series B Preferred Shares	526,916	527		

at \$1.14 per share, August 4, 2010				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, August 4, 2010	(60,000)	(60)		
Dividend paid to Seaside 88, LP, August 4, 2010			(5,370)	
Common shares issued as dividend to Seaside 88, LP, at \$1.14 per share, August 4, 2010		4,716	5	5,365
Derivative liability - retirement of Series B Preferred Shares, August 4, 2010				104,480
Warrants issued to Scientific Advisory Board, August 15, 2010				45,000
Common shares issued in conversion of Series B Preferred Shares at \$0.99 per share, August 18, 2010		606,367	606	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, August 18, 2010	(60,000)	(60)		
Dividend paid to Seaside 88, LP, August 18, 2010				(3,068)
Common shares issued as dividend to		3,101	3	3,065

Seaside 88, LP at \$0.99 per share, August 18, 2010				
Derivative liability - retirement of Series B Preferred Shares, August 18, 2010				104,795
Common shares issued for consulting and legal services valued at \$1.24 per share, August 31, 2010	4,032	4		4,996
Common shares issued for conversion of Series B Preferred Shares at \$0.93 per share, September 1, 2010	215,332	215		
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, September 1, 2010			(20,000)	(20)
Dividend paid to Seaside 88, LP, September 1, 2010				(767)
Common shares issued as dividend to Seaside 88, LP at \$1.00 per share, September 1, 2010	766	1		766
Derivative liability - retirement of Series B Preferred Shares, September 1, 2010				34,841
	250,000	250		2,499,750

Series B Preferred Shares issued to SeaSide 88, LP, September 21, 2010 Placement Agents fees related to sale of Convertible Preferred shares, September 21, 2010				(195,000)
Legal fees related to sale of Convertible Preferred Stock, September 21, 2010				(10,000)
Derivative liability - issuance of Series B Preferred Shares				(328,086)
Common shares issued for conversion of Series B Preferred Shares at \$0.93 per share, September 21, 2010	430,015	430		
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, September 21, 2010			(40,000)	(40)
Derivative liability - retirement of Series B Preferred Shares, September 21, 2010				103,012
Common shares issued for consulting and legal services	4,673	5		4,995

valued at \$1.07 per share, September 30, 2010				
Common shares issued for conversion of Series B		460,346	460	
Preferred Shares at \$0.87 per share, October 5, 2010				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, October 5, 2010	(40,000)	(40)		
Dividend paid to Seaside 88, LP, on October 5, 2010				(8,055)
Common shares issued as dividend to Seaside 88, LP at \$0.87 per share, October 5, 2010		9,268	9	8,046
Derivative liability - Retirement of Series B Preferred Shares, October 5, 2010				103,330
Common shares issued for conversion of Series B		452,965	453	
Preferred Shares at \$0.88 per share, October 19, 2010				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, October 19, 2010	(40,000)	(40)		
				(6,521)

Dividend paid to Seaside 88, LP, October 19, 2010				
Common shares issued as dividend to Seaside 88, LP at \$0.88 per share, October 19, 2010			7,384	7
				6,514
Derivative liability - Retirement of Series B Preferred Shares, October 19, 2010				69,635
Common shares issued for consulting and legal services valued at \$1.03 per share, October 31, 2010			4,854	5
				4,995
Series A Preferred Shares issued for employee stock compensation, November 1, 2010	30,000	30		
				53,903
Common shares issued for conversion of Series B Preferred Shares at \$0.87 per share, November 2, 2010			461,313	461
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, August 4, 2010				(40,000) (40)
Dividend paid to Seaside 88, LP, November 2, 2010				(4,986)
Common shares issued as dividend to			5,751	6
				4,980

Seaside 88, LP at \$0.87 per share, November 2, 2010			
Derivative liability - retirement of Series B Preferred Shares, November 2, 2010			69,104
Warrants issued to Scientific Advisory Board, November 15, 2010			55,800
Common shares issued for conversion of Series B Preferred Shares at \$1.16 per share, November 16, 2010	345,817	346	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, November 16, 2010	(40,000)	(40)	
Dividend paid to Seaside 88, LP, November 16, 2010			(3,452)
Common shares issued as dividend to Seaside 88, LP at \$1.16 per share, November 16, 2010	2,984	3	3,449
Derivative liability - Retirement of Series B Preferred Shares, November 16, 2010			69,187
	310,566	311	

Common shares issued for conversion of Series B Preferred Shares at \$1.35 per share, November 30, 2010			
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, November 30, 2010	(40,000)	(40)	
Dividend paid to Seaside 88, LP, November 30, 2010			(1,918)
Common shares issued as dividend to Seaside 88, LP at \$1.35 per share, November 30, 2010		1,417	1
Derivative liability - Retirement of Series B Preferred Shares, November 30, 2010			69,449
Common shares issued for consulting and legal services valued at \$1.46 per share, November 30, 2010		3,425	3
Common shares issued for conversion of warrants to Common Stock at \$1.00 per share, December 10, 2010		25,000	25
		50,000	50
			63,950

Common shares issued as compensation pursuant to S-8 at \$1.28 per share, December 10, 2010			
Common shares issued for conversion of Series B Preferred Shares at \$1.10 per share, December 14, 2010	90,840	91	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, December 14, 2010	(10,000)	(10)	
Dividend paid to Seaside 88, LP, December 14 2010			(384)
Common shares issued as Dividend to Seaside 88, LP, at \$1.10 per share, December 14, 2010	348	-	384
Derivative liability - retirement of Series B Preferred Shares, December 14, 2010			17,438
Series B Preferred Shares issued to SeaSide 88, LP, December 21, 2010	250,000	250	2,499,750
Placement Agents fees related to sale of Convertible			(200,000)

Preferred shares, December 21, 2010			
Common shares issued for consulting and legal services valued at \$1.32 per share, December 31, 2010	4,545	5	5,995
Adjustment Common shares issued for conversion of Series B Preferred Shares at \$1.16 per share, January 3, 2011	343,796	33 344	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, January 3, 2011			(40,000) (40)
Dividend paid to Seaside 88, LP, January 3, 2011			(8,904)
Common shares issued as dividend to Seaside 88, LP at \$1.16 per share, January 3, 2011	7,653	8	8,896
Derivative liability - retirement of Series B Preferred Shares, January 3, 2011			73,532
Common shares issued for conversion of Series B Preferred Shares at \$1.26 per share, January 17, 2011	317,965	318	
			(40,000) (40)

Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, January 17, 2011			(8,055)
Dividend paid to Seaside 88, LP, January 17, 2011			
Common shares issued as dividend to Seaside 88, LP at \$1.26 per share, January 17, 2011	6,403	6	8,049
Derivative liability - retirement of Series B Preferred Shares, January 17, 2011			70,882
Common shares issued for conversion of Series B Preferred Shares at \$1.12 per share, January 31, 2011	356,422	356	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, January 31, 2011			(40,000) (40)
Dividend paid to Seaside 88, LP, January 31, 2011			(6,521)
Common shares issued as dividend to Seaside 88, LP at \$1.24 per share, January 31, 2011	5,271	5	6,516
Derivative liability - retirement of Series B Preferred Shares,			72,432

January 31, 2011 Common shares issued for consulting and legal services valued at \$1.47 per share,	4,087	4	5,996
January 31, 2011 Common shares issued for conversion of warrants at \$1.00 per share,	25,000	25	24,975
February 4, 2011 Common shares issued for conversion of Series B Preferred Shares at \$1.08 per share, February 14, 2011	370,017	370	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, February 14, 2011	(40,000)	(40)	
Dividend paid to Seaside 88, LP, February 14, 2011			(4,986)
Common shares issued as dividend to Seaside 88, LP, at \$1.08 per share, February 14, 2011	4,613	5	4,981
Derivative liability - retirement of Series B Preferred Shares, February 14, 2011			71,699
Warrants issued to Scientific Advisory Board,			54,000

February 15, 2011				
Common shares issued for conversion of Series B Preferred Shares at \$0.99 per share, February 28, 2011	405,610	406		
Derivative liability - retirement of Series B Preferred Shares, February 28, 2011			71,490	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, February 28, 2011	(40,000)	(40)		
Dividend paid to Seaside 88, LP, February 28, 2011			(3,452))
Common shares issued as dividend to Seaside 88, LP at \$0.99 per shares, February 28, 2011	3,500	4	3,448	
Common shares issued for consulting and legal services valued at \$1.22 per share, February 28, 2011	4,902	5	5,995	
Common shares issued for employee stock compensation at \$1.32 per share, March 3, 2011	250,000	250	316,000	
	593,750	594		1,364,036

Series A Preferred Shares issued for employee stock compensation, March 3, 2011				
Common shares issued for conversion of Series B Preferred Shares at \$1.09 per share, March 14, 2011		367,274	367	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, March 14, 2011	(40,000)	(40)		
Dividend paid to Seaside 88, LP, March 14, 2011				(1,918)
Common shares issued as Dividend to Seaside 88, LP at \$1.09 per shares, March 14, 2011		1,761	2	1,916
Derivative Liability - Retirement of Series B Preferred Shares, March 14, 2011				70,566
Common shares issued for conversion of Series B Preferred Shares at \$1.11 per share, March 28, 2011		89,986	90	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, March 28, 2011	(10,000)	(10)		

Dividend paid to Seaside 88, LP, March 28, 2011			(384)
Common shares issued as dividend to Seaside 88, LP, at \$1.11 per share, March 28, 2011	345	-	384
Derivative liability - retirement of Series B Preferred Shares, March 28, 2011			17,525
Common shares issued for consulting and legal services valued at \$1.28 per share, March 31, 2011	4,680	5	5,995
Common shares issued for conversion of warrants to common stock at \$1.00 per share, April 10, 2011	10,000	10	9,990
Series B Preferred Shares issued to SeaSide 88, LP, April 18, 2011	250,000	250	2,499,750
Placement Agents fees related to sale of Convertible Preferred shares, April 18, 2011			(160,000)
Legal fees related to Sale of Convertible Preferred Stock, April 18, 2011			(25,000)
Derivative liability - issuance of Series B Preferred Shares			(429,725)

Common shares issued for conversion of Series B Preferred Shares at \$1.28 per share, April 18, 2011	312,163	312	(272)
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, April 18, 2011	(40,000)	(40)	
Derivative liability - retirement of Series B Preferred Shares, April 18, 2011			68,756
Common shares issued for consulting and legal services valued at \$1.47 per share, April 30, 2011	4,087	4	5,996
Common shares issued for conversion of Series B Preferred Shares at \$1.18 per share, May 2, 2011	339,726	340	(300)
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, May 2, 2011	(40,000)	(40)	
Derivative liability - retirement of Series B Preferred Shares, May 2, 2011			68,941
Dividend paid to Seaside 88, LP,			(8,055)

May 2, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.18 per shares, May 2, 2011	6,841	7	8,048
Warrants issued to Scientific Advisory Board, May 15, 2011			50,400
Common shares issued for conversion of Series B Preferred Shares at \$1.19 per share, May 16, 2011	336,501	337	(297)
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, May 16, 2011			(40,000) (40)
Derivative liability - retirement of Series B Preferred Shares, May 16, 2011			69,194
Dividend paid to Seaside 88, LP, May 16, 2011			(6,521)
Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011	5,438	5	6,516
Common shares issued for conversion of Series B Preferred Shares at \$1.23 per share, May 30, 2011	326,480	326	(286)
Retirement of Series B			(40,000) (40)

Preferred Shares converted into common stock by SeaSide 88, LP, May 30, 2011				
Derivative liability - retirement of Series B Preferred Shares, May 30, 2011			69,464	
Dividend paid to Seaside 88, LP, May 30, 2011			(4,986)
Common shares issued as Dividend to Seaside 88, LP at \$1.23 per share, May 30, 2011	4,070	4	4,982	
Common shares issued for consulting and legal services valued at \$1.47 per share, May 31, 2011	4,087	4	5,996	
Common shares issued for conversion of Series B Preferred Shares at \$1.18 per share, June 13, 2011	339,971	340	(300)
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, June 13, 2011	(40,000)	(40)		
Derivative liability - retirement of Series B Preferred Shares, June 13, 2011			69,727	
Dividend paid to Seaside 88, LP, June 13, 2011			(3,452)

Common shares issued as Dividend to Seaside 88, LP at \$1.18 per share, June 13, 2011							2,934	3	3,449		
Common shares issued for conversion of Series B Preferred Shares at \$1.02 per share, June 27, 2011							391,850	392	(352)		
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, June 27, 2011			(40,000)	(40)							
Derivative Liability - Retirement of Series B Preferred Share, June 27, 2011									69,973		
Dividend paid to Seaside 88, LP, June 27, 2011									(1,918)		
Common shares issued as Dividend to Seaside 88, LP at \$1.10 per share, June 27, 2011							1,741	2	1,916		
Common shares issued for consulting and legal services valued at \$1.22 per share, June 30, 2011							4,902	5	5,995		
Net loss										(6,471)	
Balance, June 30, 2011	8,217,500	8,218	10,000	10	-	-	143,548,494	143,582	33,235,990	-	(23,235,990)
Common shares issued for							89,986	90			

conversion of Series B Preferred Shares at \$1.11 per share, July 11, 2011				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, July 11, 2011	(10,000)	(10)		
Derivative liability - retirement of Series B Preferred Shares, July 11, 2011				17,881
Dividend to Seaside 88, LP, paid on July 11, 2011				(381)
Common shares issued as dividend to Seaside 88, LP at \$1.18 per share, July 11, 2011			345	- 381
Series B Preferred Shares issued to SeaSide 88, LP, on July 26, 2011	250,000	250		2,499,750
Placement Agents fees related to sale of Convertible Preferred shares, July 26, 2011				(150,000)
Derivative liability - issuance of Series B Preferred Shares				(429,768)
Legal Fees related to Sale of Convertible Preferred Stock, July 26, 2011				(6,250)
			377,800	378

Common shares issued in conversion of Series B Preferred Shares to common stock at \$1.18 per share, July 26, 2011				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, July 26, 2011	(40,000)	(40)		
Derivative liability - retirement of Series B Preferred Shares, July 26, 2011				68,425
Common shares issued for consulting and legal services valued at \$1.26 per share, July 31, 2011			4,762	5
				5,995
Warrants issued to Scientific Advisory Board, August 15, 2011				56,400
Common shares issued for conversion of Series B Preferred Shares at \$0.92 per share, August 8, 2011			437,187	437
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, August 8, 2011	(40,000)	(40)		
Derivative liability - retirement of				69,193

Series B Preferred Shares, August 8, 2011 Dividend to Seaside 88, LP, paid on August 8, 2011			(8,055)
Common shares issued as Dividend to Seaside 88, LP at \$0.98 per share, August 8, 2011	8,205	8	8,047
Common shares issued for conversion of Series B Preferred Shares at \$0.95 per share, August 23, 2011	419,829	420	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, August 23, 2011			(40,000) (40)
Derivative liability - retirement of Series B Preferred Shares, August 23, 2011			69,351
Dividend paid to Seaside 88, LP, August 23, 2011			(6,521)
Common shares issued as Dividend to Seaside 88, LP at \$0.95 per share, August 23, 2011	6,844	7	6,514
Common shares issued for consulting and legal services valued at \$1.14 per share, August 31, 2011	5,263	5	5,995
	422,873	423	

Common shares issued for conversion of Series B Preferred Shares at \$0.95 per share, September 6, 2011				
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, September 6, 2011	(40,000)	(40)		
Derivative liability - retirement of Series B Preferred Shares, September 6, 2011				69,887
Dividend paid to Seaside 88, LP, September 6, 2011				(4,986)
Common shares issued as Dividend to Seaside 88, LP at \$0.95 per share, September 6, 2011		5,264	5	4,981
Common shares issued in conversion of Series B Preferred Shares at \$0.94 per share, September 19, 2011		427,652	428	
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, September 19, 2011	(40,000)	(40)		
				69,970

Derivative liability - retirement of Series B Preferred Share, September 19, 2011				
Dividend to Seaside 88, LP, paid on September 19, 2011			(3,452)
Common shares issued as Dividend to Seaside 88, LP at \$0.94 per share, September 19, 2011	3,691	3	3,449	
Common shares issued for consulting and legal services valued at \$1.07 per share, September 30, 2011	5,607	6	5,994	
Shares issued in conversion of Series B Preferred Shares to Common Stock at \$.78 per share, .001 par value, on October 3, 2011	514,311	514		
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on October 3, 2011			(40,000)	(40)
Derivative Liability - Retirement of Preferred Series B on October 3, 2011			69,496	
	2,270	2	1,916	

Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at \$0.85 on October 3, 2011			
Dividend to Seaside 88, LP, paid on October 3, 2011			(1,918)
Shares issued in conversion of Series B Preferred Shares to Common Stock at \$0.69 per share, .001 par value, on October 17, 2011		144,484	144
Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on October 17, 2011	(10,000)	(10)	