

CEL SCI CORP  
Form 10-Q  
February 09, 2017

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 December 31, 2016  
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 84-0916344  
State or other jurisdiction incorporation (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 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)

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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	190,965,450	February 3, 2017



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CEL-SCI CORPORATION  
 CONDENSED BALANCE SHEETS  
 (UNAUDITED)

	DECEMBER 31, 2016	SEPTEMBER 30, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$2,386,673	\$2,917,996
Receivables	4,128	394,515
Prepaid expenses	866,987	981,677
Deposits - current portion	154,995	154,995
Inventory used for R&D and manufacturing	694,504	1,008,642
Deferred rent - current portion	415,003	429,821
Total current assets	4,522,290	5,887,646
RESEARCH AND OFFICE EQUIPMENT, net	229,676	226,216
PATENT COSTS, net	247,267	256,547
DEFERRED RENT - net of current portion	3,257,739	3,406,921
DEPOSITS	1,670,917	1,820,917
<b>TOTAL ASSETS</b>	<b>\$9,927,889</b>	<b>\$11,598,247</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$2,741,353	\$3,091,512
Accrued expenses	319,476	378,672
Due to employees	476,413	538,278
Derivative instruments, current portion	249,157	-
Other current liabilities	7,203	3,310
Total current liabilities	3,793,602	4,011,772
Derivative instruments - net of current portion	1,533,549	8,394,934
Deferred revenue	125,000	125,000
Other Liabilities	42,447	22,609
Total liabilities	5,494,598	12,554,315
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock, \$.01 par value-200,000 shares authorized; -0- shares issued and outstanding	-	-
Common stock, \$.01 par value - 600,000,000 shares authorized;		

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190,931,286 and 155,962,079 shares issued and outstanding at December 31, 2016 and September 30, 2016, respectively	1,909,313	1,559,621
Additional paid-in capital	284,655,153	283,152,288
Accumulated deficit	(282,131,175)	(285,667,977)
Total stockholders' equity (deficit)	4,433,291	(956,068)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$9,927,889	\$11,598,247

See notes to condensed financial statements.





CEL-SCI CORPORATION  
 CONDENSED STATEMENTS OF OPERATIONS  
 THREE MONTHS ENDED DECEMBER 31, 2016 and 2015  
 (UNAUDITED)

	2016	2015
GRANT INCOME AND OTHER	\$17,258	\$20,976
OPERATING EXPENSES:		
Research and development	4,024,856	5,169,507
General & administrative	1,407,009	634,601
Total operating expenses	5,431,865	5,804,108
OPERATING LOSS	(5,414,607)	(5,783,132)
GAIN ON DERIVATIVE INSTRUMENTS	8,928,312	8,122,960
INTEREST INCOME, NET	23,097	1,985
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$3,536,802	\$2,341,813
NET INCOME PER COMMON SHARE		
BASIC	\$0.02	\$0.02
DILUTED	\$0.01	\$0.02
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	149,860,777	109,768,502
DILUTED	152,117,711	111,639,785

See notes to condensed financial statements.



CEL-SCI CORPORATION  
 CONDENSED STATEMENTS OF CASH FLOWS  
 THREE MONTHS ENDED DECEMBER 31, 2016 and 2015  
 (UNAUDITED)

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$3,536,802	\$2,341,813
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	30,737	41,741
Issuance of common stock and options for services	78,553	329,195
Equity based compensation	312,375	427,910
Common stock contributed to 401(k) plan	38,372	40,995
Loss on retired equipment	1,187	115
Gain on derivative instruments	(8,928,312)	(8,122,960)
(Increase)/decrease in assets:		
Receivables	85,046	75,206
Deferred rent	164,000	176,825
Prepaid expenses	96,507	51,628
Inventory used for R&D and manufacturing	314,138	58,798
Deposits	150,000	150,000
Increase/(decrease) in liabilities:		
Accounts payable	(75,029)	(1,666,792)
Accrued expenses	(59,196)	280,032
Deferred revenue	-	(1,639)
Due to employees	17,110	(25,056)
Deferred rent liability	(1,496)	4,245
Net cash used in operating activities	(4,239,206)	(5,837,944)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of equipment	-	(14,831)
Net cash used in investing activities	-	(14,831)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock and warrants	3,709,931	10,550,538
Payments on obligations under capital lease	(2,048)	(2,194)
Net cash provided by financing activities	3,707,883	10,548,344
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(531,323)</b>	<b>4,695,569</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>2,917,996</b>	<b>5,726,682</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$2,386,673</b>	<b>\$10,422,251</b>

See notes to condensed financial statements.





CEL-SCI CORPORATION  
 CONDENSED STATEMENTS OF CASH FLOWS  
 THREE MONTHS ENDED DECEMBER 31, 2016 and 2015

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING  
 ACTIVITIES:

	2016	2015
Decrease in receivable due under the litigation funding arrangement offset by the same amount payable to the legal firm providing the services	\$305,341	\$366,267
Research and office equipment included in accounts payable	-	6,814
Capital lease payments included in accounts payable	372	739
Property and equipment acquired through capital lease	26,104	-
Fair value of warrants issued in connection with public offering	2,316,084	5,060,771
Financing costs included in accounts payable	77,987	21,000