

Advaxis, Inc.
Form 10-Q/A
October 18, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

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

For the quarterly period ended January 31, 2012

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from to _____ to _____

Commission file number 000-28489

ADVAXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

02-0563870

(IRS Employer Identification No.)

305 College Road East, Princeton, NJ 08540

(Address of principal executive offices)

(609) 452-9813

(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

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, \$0.001 par value, outstanding as of March 9, 2012 was 286,471,666.

EXPLANATORY NOTE

This Amendment No. 1 to the Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2012 (the “Form 10-Q”), originally filed by Advaxis, Inc. on March 16, 2012, is being filed to amend and restate our previously issued interim financial statements and related financial information for the correction of non-cash errors related to the interpretation and application of accounting standards in calculating our loss on conversions of convertible notes outstanding during such period with bifurcated embedded derivative liabilities of certain convertible notes.

Background

The Company has convertible features (embedded derivatives) in certain convertible promissory notes issued by the Company and outstanding during the fiscal quarter ended January 31, 2012. Such embedded derivatives are recorded at fair value, classified as liabilities on the balance sheet, valued using the Black-Scholes Model (BSM Model) and subject to revaluation at each reporting date.

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Embedded derivative liability is one of the most significant estimates impacting account balances. After significant analysis and discussion with respect to these estimates in connection with our Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2012, the Company has decided to amend and restate its financial statements for the quarterly periods ended January 31, 2012 and April 30, 2012 for the correction of non-cash errors related to the interpretation and application of accounting standards in calculating its loss (additional non-cash expense of approximately \$819,000) on conversions of convertible notes with bifurcated embedded derivative liabilities. Please see Note 14 of the Notes to the Financial Statements for the impact of this restatement on the financial statements.

Except as described above, no other changes have been made to the Form 10-Q. Therefore, this Amendment No. 2 on Form 10-Q does not reflect many events occurring after the filing of the Form 10-Q nor does it modify or update all disclosures made therein which may be affected by events subsequent to January 31, 2012. Accordingly, information presented in many items is unchanged and reflects disclosures made at the time of the original Form 10-Q, and this Amendment No. 2 should be read in conjunction with our filings and amendments thereto made with the SEC subsequent to the filing of the original Form 10-K for the year ended October 31, 2011.

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All other items called for by the instructions to Form 10-Q have been omitted because the items are not applicable or the relevant information is not material.

PART I-FINANCIAL INFORMATION**Item 1. Financial Statements****ADVAXIS, INC.****(A Development Stage Company)****BALANCE SHEETS**

	(unaudited) January 31, 2012 (restated)	October 31, 2011
ASSETS		
Current Assets:		
Cash	\$588,442	\$1,096,538
Other Current Asset Receivable	-	477,788
Prepaid expenses	14,085	37,474
Other Current Assets	83,182	2,221
Total Current Assets	685,709	1,614,021
Deferred expenses	1,351,648	1,380,103
Intangible Assets (net of accumulated amortization)	2,347,818	2,256,852
Deferred Financing Cost	79,523	65,848
Other Assets	374,140	323,738
TOTAL ASSETS	\$4,838,838	\$5,640,562
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable and Accrued Expenses	\$5,866,832	\$5,396,594
Notes Payable – convertible promissory notes and fair value of embedded derivative	3,964,766	5,091,298
Notes payable –Officer (including interest payable)	381,326	408,069
Total Current Liabilities	10,212,924	10,895,961
Deferred Rent	48,031	62,441
Long-term Convertible Notes	108,610	570,802
Common Stock Warrant	5,527,591	6,391,071
Total Liabilities	15,897,156	17,920,275

Shareholders' Deficiency:

Preferred stock, \$0.001 par value; 5,000,000 shares authorized; Series B Preferred Stock; issued and outstanding 740 at January 31, 2012 and at October 31, 2011.

Common Stock - \$0.001 par value; authorized 500,000,000 shares, issued and outstanding 278,655,727 at January 31, 2012 and 250,173,570 at October 31, 2011.

Additional Paid-In Capital

Promissory Note Receivable

Deficit accumulated during the development stage

Total Shareholders' Deficiency

TOTAL LIABILITIES & SHAREHOLDERS' DEFICIENCY

278,655	250,173
38,558,521	33,000,064
(9,998,210)	(9,998,210)
(39,897,284)	(35,531,740)
(11,058,318)	(12,279,713)
\$4,838,838	\$5,640,562

The accompanying notes are an integral part of these financial statements.

ADVAXIS, INC.**(A Development Stage Company)****STATEMENTS OF OPERATIONS****(unaudited)**

	Three Months Ended January 31,		Period from March 1, 2002 (Inception) to January 31, 2012
	2012 (restated)	2011	(restated)
Revenue	\$-	-	\$ 1,863,343
Research & Development Expenses	2,212,909	1,987,691	25,369,649
General & Administrative Expenses	1,031,392	981,956	22,211,225
Total Operating expenses	3,244,301	2,969,647	47,580,874
Loss from Operations	(3,244,301)	(2,969,647)	(45,717,531)
Other Income (expense):			
Interest expense	(1,616,882)	(532,349)	(12,066,219)
Other Income	6,744	37,330	254,451
(Loss) Gain on note retirement	(697,642)	-	497,203
Net changes in fair value of common stock warrant liability and embedded derivative liability	839,750	3,841,861	15,251,436
Net Loss before benefit for income taxes	(4,712,331)	377,195	(41,780,660)
Income tax benefit	346,787	379,472	1,927,260
Net Income (Loss)	(4,365,544)	756,667	(39,853,400)
Dividends attributable to preferred shares	185,000	989,020	1,767,570
Net Loss applicable to Common Stock	\$(4,550,544)	\$(232,353)	\$(41,620,970)
Net Loss per share, basic and diluted	\$(.02)	\$-	
Weighted average number of shares outstanding, basic	262,831,912	206,807,491	
Weighted average number of shares, diluted	262,831,912	206,807,491	

The accompanying notes are an integral part of these financial statements.

ADVAXIS, INC.**(a development stage company)****STATEMENT OF SHAREHOLDERS' DEFICIENCY****Period from November 1, 2011 to January 31, 2012**

	Preferred Stock Number of Shares of Outstanding	Common Stock Number of shares of outstanding	Common Stock Amount	Stock Subscription Receivable	Additional Paid in Capital	Deficit Accumulated During the Development Stage	Shareholders' Equity (Deficiency)
Balance at October 31, 2011	740	\$250,173,570	\$250,173	\$(9,998,210)	\$33,000,064	\$(35,531,740)	\$(12,279,713)
Common Stock Issued Upon Exercise of Warrants		2,745,097	2,745		409,019		411,764
Options granted to employees & directors					289,725		289,725
Options granted to consultants					10,459		10,459
Common stock issued upon conversion of Bridge Notes		1,126,667	1,127		167,873		169,000
Common stock issued upon conversion of May 2011 Notes		12,827,065	12,827		2,332,698		2,345,525
Common stock issued upon conversion of October 2011 Notes		8,183,333	8,183		1,636,237		1,644,420
Issuance of common stock					279,807		279,807

warrants with December 2011 Notes							
Interest on Optimus Notes				50,402			50,402
Common stock issued upon partial conversion of long-term convertible promissory notes	3,600,000	3,600		382,237			385,837
Net(Loss)						(4,365,544)	(4,365,544)
Balance at January 31, 2012 restated	740	278,655,732	\$278,655	\$(9,998,210)	\$38,558,521	\$(39,897,284)	\$(11,058,318)

ADVAXIS, INC.
(A Development Stage Company)
STATEMENTS OF CASH
FLows
(unaudited)

	Three Months Ended January 31,		Period from March 1, 2002 (Inception) to January 31, 2012 restated
	2012 restated	2011	
OPERATING ACTIVITIES			
Net income (loss)	\$(4,365,544)	\$756,667	\$ (39,853,400)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Non-cash charges to consultants and employees for options and stock	300,184	240,582	4,100,829
Amortization of deferred financing costs	-	-	260,000
Amortization of discount on convertible promissory notes	532,559	73,364	1,688,952
Impairment of intangible assets	-	-	26,087
Non-cash interest expense	1,075,524	414,890	9,646,256
Gain on change in value of warrants and embedded derivative	(839,750)	(3,841,861)	(15,251,436)
Warrant Expense	-	35,523	764,210
Value of penalty shares issued	-	-	149,276
Depreciation expense	-	9,784	195,672
Amortization expense of intangibles	35,409	32,265	630,049
Other Income	-	-	33,478
Loss (Gain) on note retirement	697,642	-	(497,203)
<u>Changes in operating assets and liabilities:</u>			
Decrease (Increase) in prepaid expenses	23,389	15,862	(14,084)
Decrease in grant receivable	-	244,479	-
(Increase) in income tax receivable	-	(379,472)	-
Increase in other current assets	(80,961)	(77,221)	(83,182)
Increase in other assets			