

PROVECTUS PHARMACEUTICALS INC
Form 10-Q
November 08, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

.. **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 000-09410

PROVECTUS PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

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Nevada
(State or other jurisdiction of
incorporation or organization)

**7327 Oak Ridge Highway, Suite
A, Knoxville, Tennessee**
(Address of principal executive offices)

90-0031917
(I.R.S. Employer
Identification No.)

37931
(Zip Code)

866-594-5999
(Registrant's telephone number, including area code)

N/A

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 (§ 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 (Do not check if a smaller reporting company) Smaller reporting company

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

The number of shares outstanding of the registrant's common stock, par value \$.001 per share, as of September 30, 2012 was 113,701,071. The number of shares outstanding of the issuer's 8% convertible preferred stock, par value \$.001 per share, as of September 30, 2012 was 2,941,665.

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PROVECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,842,118	\$ 7,705,773
Prepaid expenses and other current assets	16,284	
Total Current Assets	1,858,402	7,705,773
Equipment and furnishings, less accumulated depreciation of \$421,377 and \$416,798	31,417	20,111
Patents, net of amortization of \$6,621,717 and \$6,118,377, respectively	5,093,728	5,597,068
Other assets	27,000	27,000
	\$ 7,010,547	\$ 13,349,952
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable - trade	\$ 280,615	\$ 101,102
Accrued compensation and payroll taxes	1,433,481	
Accrued consulting expense	102,000	71,000
Other accrued expenses	139,000	90,622
Total Current Liabilities	1,955,096	262,724
Long-Term Liability		
Warrant liability	1,631,590	3,067,488
Total Liabilities	3,586,686	3,330,212
Stockholders' Equity		
Preferred stock; par value \$.001 per share; 25,000,000 shares authorized; 2,941,665 and 3,531,665 shares issued and outstanding, respectively, liquidation preference \$0.75 per share (in aggregate \$2,250,133 and \$2,702,134, respectively)	2,941	3,531
Common stock; par value \$.001 per share; 200,000,000 authorized; 113,701,071 and 110,596,798 shares issued and outstanding, respectively	113,701	110,597
Paid-in capital	119,739,223	115,690,334
Deficit accumulated during the development stage	(116,432,004)	(105,784,722)
Total Stockholders' Equity	3,423,861	10,019,740
	\$ 7,010,547	\$ 13,349,952

See accompanying notes to condensed consolidated financial statements.

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PROTECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended Sept 30, 2012	Three Months Ended Sept 30, 2011	Nine Months Ended Sept 30, 2012	Nine Months Ended Sept 30, 2011	Cumulative Amounts from January 17, 2002 (Inception) Through Sept 30, 2012
Revenues					
OTC product revenue	\$	\$	\$	\$	\$ 25,648
Medical device revenue					14,109
Total revenues					39,757
Cost of sales					15,216
Gross profit					24,541
Operating expenses					
Research and development	1,129,921	3,442,344	4,352,940	6,971,816	42,446,334
General and administrative	2,296,637	3,860,755	7,228,225	9,568,240	64,753,074
Amortization	167,780	167,780	503,340	503,340	6,621,717
Total operating loss	(3,594,338)	(7,470,879)	(12,084,505)	(17,043,396)	(113,796,584)
Gain on sale of fixed assets					55,075
Loss on extinguishment of debt					(825,867)
Investment income	310	529	1,325	898	653,195
Gain on change in fair value of warrant liability	1,246,917	1,027,554	1,435,898	1,059,730	5,580,181
Net interest expense					(8,098,004)
Net loss	(2,347,111)	(6,442,796)	(10,647,282)	(15,982,768)	(116,432,004)
Dividends on preferred stock	(43,884)	(59,465)	(145,709)	(193,623)	(10,800,584)
Net loss applicable to common shareholders	\$ (2,390,995)	\$ (6,502,261)	\$ (10,792,991)	\$ (16,176,391)	\$ (127,232,588)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.06)	\$ (0.10)	\$ (0.16)	
Weighted average number of common shares outstanding basic and diluted	113,166,988	109,100,408	112,073,836	104,277,935	

See accompanying notes to consolidated financial statements.

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PROVECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

	Preferred Stock		Common Stock		Paid in capital	Accumulated Deficit	Total
	Number of Shares	Par Value	Number of Shares	Par Value			
Balance, at January 17, 2002		\$		\$	\$	\$	\$
Issuance to founding shareholders			6,000,000	6,000	(6,000)		
Sale of stock			50,000	50	24,950		25,000
Issuance of stock to employees			510,000	510	931,490		932,000
Issuance of stock for services			120,000	120	359,880		360,000
Net loss for the period from January 17, 2002 (inception) to April 23, 2002 (date of reverse merger)						(1,316,198)	(1,316,198)
Balance, at April 23, 2002		\$	6,680,000	\$ 6,680	\$ 1,310,320	\$ (1,316,198)	\$ 802
Shares issued in reverse merger			265,763	266	(3,911)		(3,645)
Issuance of stock for services							