

PROVECTUS PHARMACEUTICALS INC
Form 10-Q
May 09, 2012
[Table of Contents](#)

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 March 31, 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)

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

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

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 May 3, 2012 was 112,027,916. The number of shares outstanding of the issuer's 8% convertible preferred stock, par value \$.001 per share, as of May 3, 2012 was 3,431,665.

Table of Contents

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

<u>Item 1. Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of March 31, 2012 and December 31, 2011</u>	3
<u>Condensed Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011</u>	4
<u>Condensed Consolidated Statements of Stockholders' Equity</u>	5
<u>Condensed Consolidated Statements of Cash Flow</u>	9
<u>Notes to Condensed Consolidated Financial Statements</u>	10
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	15
<u>Item 4. Controls and Procedures</u>	15

PART II OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	16
<u>Item 1A. Risk Factors</u>	16
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	16
<u>Item 3. Defaults Upon Senior Securities</u>	16
<u>Item 4. Mine Safety Disclosures</u>	16
<u>Item 5. Other Information</u>	16
<u>Item 6. Exhibits</u>	17
<u>SIGNATURES</u>	18

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

PROVECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,900,285	\$ 7,705,773
Prepaid expenses and other current assets	53,784	
Total Current Assets	4,954,069	7,705,773
Equipment and furnishings, less accumulated depreciation of \$418,076 and \$416,798	34,718	20,111
Patents, net of amortization of \$6,286,157 and \$6,118,377, respectively	5,429,288	5,597,068
Other assets	27,000	27,000
	\$ 10,445,075	\$ 13,349,952
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable - trade	\$ 312,958	\$ 101,102
Accrued compensation and payroll taxes	379,635	
Accrued consulting expense	161,000	71,000
Other accrued expenses	73,000	90,622
Total Current Liabilities	926,593	262,724
Long-Term Liability		
Warrant liability	3,330,652	3,067,488
Total Liabilities	4,257,245	3,330,212
Stockholders' Equity		
Preferred stock; par value \$.001 per share; 25,000,000 shares authorized; 3,431,665 and 3,531,665 shares issued and outstanding, respectively, liquidation preference \$0.75 per share (in aggregate \$2,624,380 and \$2,702,134, respectively)	3,431	3,531
Common stock; par value \$.001 per share; 200,000,000 authorized; 110,935,981 and 110,596,798 shares issued and outstanding, respectively	110,936	110,597
Paid-in capital	116,325,763	115,690,334
Deficit accumulated during the development stage	(110,252,300)	(105,784,722)
Total Stockholders' Equity	6,187,830	10,019,740
	\$ 10,445,075	\$ 13,349,952

See accompanying notes to condensed consolidated financial statements.

Table of Contents

PROTECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	Cumulative Amounts from January 17, 2002 (Inception) Through March 31, 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	1,565,433	1,522,104	39,658,827
General and administrative	2,471,721	2,503,671	59,996,570
Amortization	167,780	167,780	6,286,157
Total operating loss	(4,204,934)	(4,193,555)	(105,917,013)
Gain on sale of fixed assets			55,075
Loss on extinguishment of debt			(825,867)
Investment income	520	156	652,390
(Loss) gain on change in fair value of warrant liability	(263,164)	(811,095)	3,881,119
Net interest expense			(8,098,004)
Net loss	(4,467,578)	(5,004,494)	(110,252,300)
Dividends on preferred stock	(50,631)	(69,934)	(10,705,506)
Net loss applicable to common shareholders	\$ (4,518,209)	\$ (5,074,428)	\$ (120,957,806)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.05)	
Weighted average number of common shares outstanding basic and diluted	110,775,171	97,991,375	

See accompanying notes to condensed consolidated financial statements.

Table of Contents

PROVECTUS PHARMACEUTICALS, INC.

(A Development-Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(Unaudited)

	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			1,900,000	1,900	5,142,100		5,144,000
Purchase and retirement of stock			(400,000)	(400)	(47,600)		(48,000)
Stock issued for acquisition of Valley Pharmaceuticals			500,007	500	12,225,820		12,226,320
Exercise of warrants			452,919	453			453
Warrants issued in connection with convertible debt					126,587		126,587
Stock and warrants issued for acquisition of Pure-ific			25,000	25	26,975		27,000
Net loss for the period from April 23, 2002 (date of reverse merger) to December 31, 2002						(5,749,937)	(5,749,937)