NANOVIRICIDES, INC
Form 10-Q
May 15, 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 March 31, 2013

Commission File Number: 333-148471

NANOVIRICIDES, 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

(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 x 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 x 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 x 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 x

The number of shares outstanding of the Company's Common Stock as of May 15, 2013 was: 161,985,997

NANOVIRICIDES, INC.

(A DEVELOPMENT STAGE COMPANY)

March 31, 2013 and 2012

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(A Development Stage Company)

Balance Sheets

	March 31, 2013 (Unaudited)	June 30, 2012
ASSETS CURRENT ASSETS:		
Cash and cash equivalents Prepaid expenses Collateral advance for affiliate	\$ 15,457,807 541,634 1,000,000	\$14,274,985 314,174
Total Current Assets	16,999,441	14,589,159
PROPERTY AND EQUIPMENT	4.440	4 440 = 1=
Property and equipment Accumulated depreciation	1,440,717 (984,033	1,440,717) (825,875)
Property and equipment, net	456,684	614,842
TRADEMARK	450.054	450.054
Trademark Accumulated amortization	458,954 (39,727	458,954) (33,147)
Trademark, net	419,227	425,807
Total Assets	\$ 17,875,352	\$15,629,808
LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES:		
Accounts payable Accounts payable – related parties	\$ 237,661 630,385	\$238,358 365,681
Accrued expenses	147,246	96,878
Derivative liability	3,398,611	1,078,698
Total Current Liabilities	4,413,903	1,779,615
LONG TERM LIABILITIES: Debentures payable	3,339,067	-
Total Long Term Liabilities	3,339,067	-

Total Liabilities	7,752,970		1,779,615
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY: Series A Convertible Preferred stock, \$0.001 par value, 10,000,000 shares designated, 10,465,000 and 9,871,250 shares issued and outstanding, respectively	10,466		9,872
Series B Convertible Preferred stock, \$0.001 par value, 10,000,000 shares designated, none issued and outstanding	-		-
Series C Convertible Preferred stock, \$0.001 par value, 10,000,000 shares designated, 0 and 2,353 shares issued and outstanding, respectively	-		2
Common stock, \$0.001 par value; 300,000,000 shares authorized; 164,540,249 and 155,612,293 shares issued and outstanding, respectively	164,571		155,645
Additional paid-in capital Deficit accumulated during the development stage	46,066,390 (36,119,045)	43,108,790 (29,424,116)
Total Stockholders' Equity	10,122,382		13,850,193
Total Liabilities and Stockholders' Equity	\$ 17,875,352		\$15,629,808

See accompanying notes to the financial statements

Nanoviricides, Inc.

(A Development Stage Company)

Statements of Operations

	For the Three	For the Three	For the Nine	For the Nine	For the Period from May 12, 2005
	Months	Months	Months	Months	•
	Ended	Ended	Ended	Ended	(inception) through
	March 31, 2013 (Unaudited)	March 31, 2012 (Unaudited)	March 31, 2013 (Unaudited)	March 31, 2012 (Unaudited)	March 31, 2013 (Unaudited)
OPERATING EXPENSES Research and	\$ 1,359,205	\$ 1,582,705	\$ 3,279,220	\$ 3,252,745	\$ 21,790,371
development Refund credit research and development costs	-	-	-	-	(420,842)
General and administrative	831,353	494,080	1,748,582	1,281,755	12,465,960
Total operating expenses	2,190,558	2,076,785	5,027,802	4,534,500	33,835,489
LOSS FROM OPERATIONS	(2,190,558) (2,076,785) (5,027,802	(4,534,500) (33,835,489)
OTHER INCOME (EXPENSE): Interest income					
(expense), net	(822,278) 30,801	(770,825) 40,283	(558,714)
Discount on convertible debentures	-	-	-	-	(73,930)
Beneficial conversion feature of convertible debentures	-	-	-	-	(713,079)
Change in fair market value of derivatives	(669,753) 14,131	(896,302) (68,931) (937,833)
Other income (expense), net	(1,492,031) 44,932	(1,667,127) (28,648) (2,283,556)

LOSS BEFORE INCOME TAX PROVISION	(3,682,589) (2,031,853) (6,694,929)	(4,563,148) (36,119,045)
INCOME TAX PROVISION	-	-	-		-	-	
NET LOSS	\$ (3,682,589) \$ (2,031,853) \$ (6,694,929)	(4,563,148) \$(36,119,045)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED:	\$ (0.02) \$ (0.01) \$ (0.04)	(0.02)	
Weighted average common shares outstanding	163,454,938	151,556,920	159,902,326		147 900 205		
 basic and diluted 	105,454,938	131,330,920	139,902,320		147,890,395		

See accompanying notes to the financial statements

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NanoViricides, Inc.

(A Development Stage Company)

Statement of Stockholders' Equity

For the period from June 30, 2010 through March 31, 2013

(Unaudited)

	Series A Pro Stock: Par S		Series B Preferred Stock: Par \$0.001		Series C Preferred Stock: Par \$0.001		red Common Stock Par \$0.001		Additional	Durin
	Number of		Number of		Numbe of	er	Number of		Paid-in	Devel
	Shares	Amount	Shares	Amou	n S hares	Amo	ou Sil tares	Amount	Capital	Stage
Please refer to Form 10K for the fisacal year ended June 30, 2012 filed with SEC on October 15, 2012 for equity transactions occurred prior to June 30, 2009										
Balance, June 30, 2010	7,593,750	\$7,594	260,000	\$260	-	\$-	133,980,471	\$133,981	\$23,116,612	\$(16,7
Common shares issued for conversion of Series B Preferred Shares at \$1.51 per share, July 7, 2010 Retirement of Series B Preferred Shares			(60,000)	(60)	,		397,088	397		

Defici Accur

· ·	5		,					
converted into								
common stock by								
SeaSide 88, LP,								
July 7, 2010								
Dividend paid to								
Seaside 88, LP,							(9,973)
July 7, 2010							(),),,	,
Common shares								
issued as								
dividend to								
Seaside 88, LP at				6,061	1	6	9,967	
\$1.65 per share,								
July 7, 2010								
Derivative Derivative								
liability -								
retirement of								
Series B							116,715	
Preferred Shares,								
July 7, 2010								
Common shares								
issued for								
conversion of								
Series B								
Preferred Shares				463,1	177	463		
at \$1.30 per								
share, July 21,								
2010								
Retirement of								
Series B								
Preferred Shares								
converted into		(60,000)	(60)					
common stock by		(00,000)	(00)					
SeaSide 88, LP,								
July 21, 2010								
Dividend paid to								
Seaside 88, LP,							(7,671)
July 21, 2010							(7,071	,
Common shares								
issued as								
dividend to								
Seaside 88, LP at				5,794	4	6	7,665	
\$1.32 per share,								
July 21, 2010								
Derivative Derivative								
liability -								
retirement of								
Series B							113,700	
Preferred Shares,								
July 21, 2010								
Common shares				3,086	5	3	4,997	
issued for				2,000	-	_	.,,	
100 000 001								

	nsulting and						
	gal services						
	lued at \$2.087						
	r share, July						
	, 2010						
	ommon shares						
	ued for						
	nversion of						
	ries B			526,916	527		
	eferred Shares			,			
	\$1.14 per						
	are, August 4,						
	10						
	etirement of						
	ries B						
	eferred Shares	(60,000)	(60.)				
	nverted into	(60,000)	(60)				
	mmon stock by						
	aSide 88, LP, igust 4, 2010						
	vidend paid to						
	aside 88, LP,					(5,370)
	igust 4, 2010					(3,370	,
	ommon shares						
	ued as						
	vidend to						
	aside 88, LP,			4,716	5	5,365	
	\$1.14 per			1,710	J	3,303	
	are, August 4,						
	10						
	erivative						
	bility -						
	irement of					104 400	
Se	ries B					104,480	
Pr	eferred Shares,						
Αı	igust 4, 2010						
W	arrants issued						
to	Scientific					45,000	
A	lvisory Board,					43,000	
	igust 15, 2010						
	ommon shares						
	ued in						
co	nversion of						
	ries B			606,367	606		
	eferred Shares			000,507	000		
	\$0.99 per						
	are, August 18,						
	10						
	etirement of	(60,000)	(60)				
	ries B						
Pr	eferred Shares						

•						
converted into						
common stock by						
SeaSide 88, LP,						
August 18, 2010						
Dividend paid to						
Seaside 88, LP,					(3,068)
August 18, 2010						
Common shares						
issued as						
dividend to			3,101	3	3,065	
Seaside 88, LP at			3,101	3	2,002	
\$0.99 per share,						
August 18, 2010						
Derivative						
liability -						
retirement of					104,795	
Series B					,	
Preferred Shares,						
August 18, 2010						
Common shares						
issued for						
consulting and			4.022	1	4.006	
legal services valued at \$1.24			4,032	4	4,996	
per share, August 31, 2010						
Common shares						
issued for						
conversion of						
Series B						
Preferred Shares			215,332	215		
at \$0.93 per						
share, September						
1, 2010						
Retirement of						
Series B						
Preferred Shares						
converted into	(20.000)	(20)				
common stock by	(20,000)	(20)				
SeaSide 88, LP,						
September 1,						
2010						
Dividend paid to						
Seaside 88, LP,					(767	`
September 1,					(767)
2010						
Common shares			766	1	766	
issued as						
dividend to						
Seaside 88, LP at						
\$1.00 per share,						

3	•	,			
September 1,					
2010					
Derivative					
liability -					
retirement of					
Series B					34,841
Preferred Shares,					
September 1,					
2010					
Series B					
Preferred Shares					
issued to SeaSide	250,000	250			2,499,750
88,	,				, ,
LP, September					
21, 2010					
Placement					
Agents fees					
related to sale of Convertible					(105,000
Preferred shares,					(195,000
September 21,					
2010					
Legal fees related					
to sale of					
Convertible					
Preferred Stock,					(10,000
September 21,					
2010					
Derivative					
liability -					
issuance of					(328,086
Series B					
Preferred Shares					
Common shares					
issued for					
conversion of					
Series B			430,015	430	
Preferred Shares			450,015	430	
at \$0.93 per					
share, September					
21, 2010					
Retirement of					
Series B					
Preferred Shares					
converted into	(40,000)	(40)			
common stock by	, ,,	` /			
SeaSide 88, LP,					
September 21,					
2010					102.012
Derivative					103,012
liability -					

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retirement of Series B Preferred Shares, September 21, 2010 Common shares issued for							
consulting and legal services valued at \$1.07 per share, September 30, 2010 Common shares				4,673	5	4,995	
issued for conversion of Series B Preferred Shares at \$0.87 per share, October 5, 2010 Retirement of				460,346	460		
Series B Preferred Shares converted into common stock by SeaSide 88, LP, October 5, 2010 Dividend paid to		(40,000) (4	40)				
Seaside 88, LP, on October 5, 2010 Common shares issued as						(8,055)
dividend to Seaside 88, LP at \$0.87 per share, October 5, 2010 Derivative liability -				9,268	9	8,046	
Retirement of Series B Preferred Shares, October 5, 2010 Common shares				452,965	453	103,330	
issued for conversion of Series B Preferred Shares at \$0.88 per share, October							

		5 5		,				
19, 2010								
Retirement of								
Series B								
Preferred Shares								
converted into			(40,000)	(40)				
common stock by								
SeaSide 88, LP,								
October 19, 2010								
Dividend paid to								
Seaside 88, LP,							(6,521)
October 19, 2010								
Common shares								
issued as								
dividend to					7.204	7	6.514	
Seaside 88, LP at					7,384	7	6,514	
\$0.88 per share,								
October 19, 2010								
Derivative								
liability -								
Retirement of							(0.625	
Series B							69,635	
Preferred Shares,								
October 19, 2010								
Common shares								
issued for								
consulting and								
legal services					4,854	5	4,995	
valued at \$1.03								
per share,								
October 31, 2010								
Series A								
Preferred Shares								
issued for								
employee stock	30,000	30					53,903	
compensation,								
November 1,								
2010								
Common shares								
issued for								
conversion of								
Series B					461,313	461		
Preferred Shares					401,515	701		
at \$0.87 per								
share, November								
2, 2010								
Retirement of			(40,000)	(40)				
Series B								
Preferred Shares								
converted into								
common stock by								
SeaSide 88, LP,								

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August 4, 2010 Dividend paid to Seaside 88, LP,				(4.004	`
November 2, 2010 Common shares issued as				(4,986)
dividend to Seaside 88, LP at		5,751	6	4,980	
\$0.87 per share, November 2,					
2010 Derivative liability -					
retirement of Series B				69,104	
Preferred Shares, November 2, 2010 Warrants issued					
to Scientific Advisory Board, November 15,				55,800	
2010 Common shares					
issued for conversion of					
Series B Preferred Shares at \$1.16 per		345,817	346		
share, November 16, 2010					
Retirement of Series B Preferred Shares					
converted into common stock by SeaSide 88, LP, November 16,	(40,000) (40)				
2010 Dividend paid to					
Seaside 88, LP, November 16, 2010 Common shares				(3,452)
issued as dividend to Seaside 88, LP at \$1.16 per share,		2,984	3	3,449	
November 16, 2010					

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Derivative liability - Retirement of							
Series B						69,187	
Preferred Shares,							
November 16,							
2010 Common shares							
issued for							
conversion of							
Series B				210 566	211		
Preferred Shares				310,566	311		
at \$1.35 per							
share, November							
30, 2010							
Retirement of Series B							
Preferred Shares							
converted into		(40,000)	(40.)				
common stock by		(40,000)	(40)				
SeaSide 88, LP,							
November 30,							
2010							
Dividend paid to Seaside 88, LP,							
November 30,						(1,918)
2010							
Common shares							
issued as							
dividend to							
Seaside 88, LP at				1,417	1	1,917	
\$1.35 per share,							
November 30, 2010							
Derivative							
liability -							
Retirement of							
Series B						69,449	
Preferred Shares,							
November 30,							
2010 Common shares							
issued for							
consulting and							
legal services				2.425	2	4.00	
valued at \$1.46				3,425	3	4,997	
per share,							
November 30,							
2010				•••		2	
Common shares				25,000	25	24,975	
issued for							

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conversion of					
warrants to					
Common Stock					
at \$1.00 per					
share, December					
10, 2010					
Common shares					
issued as					
compensation			5 0.000	5 0	62.050
pursuant to S-8 at			50,000	50	63,950
\$1.28 per share,					
December 10,					
2010					
Common shares					
issued for					
conversion of					
Series B					
Preferred Shares			90,840	91	
at \$1.10 per					
share, December					
14, 2010					
Retirement of					
Series B					
Preferred Shares					
converted into					
common stock by	(10,000)	(10)			
· · · · · · · · · · · · · · · · · · ·					
SeaSide 88, LP,					
December 14,					
2010					
Dividend paid to					
Seaside 88, LP,					(204
December 14					(384)
2010					
Common shares					
issued as					
Dividend to					
			2.40		204
Seaside 88, LP,			348	-	384
at \$1.10 per					
share, December					
14, 2010					
Derivative					
liability -					
retirement of					
Series B					17,438
Preferred Shares,					17,130
December 14,					
2010	050.000	250			2 400 750
Series B	250,000	250			2,499,750
Preferred Shares					
issued to SeaSide					
88, LP,					

9 9	,	,				
December 21,						
2010						
Placement						
Agents fees						
related to sale of						
Convertible					(200,000)
Preferred shares,					(200,000	,
December 21,						
2010						
Common shares						
issued for						
consulting and						
legal services			4,545	5	5,995	
valued at \$1.32			1,0 10		- ,	
per share,						
December 31,						
2010						
Adjustment				33		
Common shares						
issued for						
conversion of						
Series B			2.12.70.6	244		
Preferred Shares			343,796	344		
at \$1.16 per						
share, January 3,						
2011						
Retirement of						
Series B						
Preferred Shares						
converted into	(40,000)	(40)				
	(40,000)	(40)				
common stock by						
SeaSide 88, LP,						
January 3, 2011						
Dividend paid to						
Seaside 88, LP,					(8,904)
January 3, 2011						
Common shares						
issued as						
dividend to			7,653	8	8,896	
Seaside 88, LP at			7,033	O	0,070	
\$1.16 per share,						
January 3, 2011						
Derivative						
liability -						
retirement of					72 522	
Series B					73,532	
Preferred Shares,						
January 3, 2011						
Common shares			317,965	318		
issued for						
conversion of						

	5 5		,				
Series B							
Preferred Shares							
at \$1.26 per							
-							
share, January							
17, 2011							
Retirement of							
Series B							
Preferred Shares							
converted into		(40,000)	(40)				
common stock by							
SeaSide 88, LP,							
January 17, 2011							
Dividend paid to							
Seaside 88, LP,						(8,055)
January 17, 2011						,	
Common shares							
issued as							
dividend to							
Seaside 88, LP at				6,403	6	8,049	
\$1.26 per share,							
January 17, 2011							
Derivative							
liability -							
retirement of							
						70,882	
Series B							
Preferred Shares,							
January 17, 2011							
Common shares							
issued for							
conversion of							
Series B				356,422	356		
Preferred Shares				350,122	220		
at \$1.12 per							
share, January							
31, 2011							
Retirement of							
Series B							
Preferred Shares							
converted into		(40,000)	(40)				
common stock by							
SeaSide 88, LP,							
January 31, 2011							
Dividend paid to							
Seaside 88, LP,						(6,521)
January 31, 2011							
Common shares							
issued as							
dividend to				5 051	~	6.516	
Seaside 88, LP at				5,271	5	6,516	
\$1.24 per share,							
January 31, 2011							

	0	•	,			
Derivative						
liability -						
retirement						72,432
ofSeries B						12,432
Preferred Shares,						
January 31, 2011						
Common shares						
issued for						
consulting and						
legal services				4,087	4	5,996
valued at \$1.47						
per share,						
January 31, 2011						
Common shares						
issued for						
conversion of				25,000	25	24,975
warrants at \$1.00				23,000	23	24,973
per share,						
February 4, 2011						
Common shares						
issued for						
conversion of						
Series B				370,017	370	
Preferred Shares				370,017	370	
at \$1.08 per						
share, February						
14, 2011						
Retirement of						
Series B						
Preferred Shares						
converted into		(40,000)	(40)			
common stock by		(10,000)	(.0)			
SeaSide 88, LP,						
February 14,						
2011						
Dividend paid to						
Seaside 88, LP,						(4,986)
February 14,						,
2011						
Common shares						
issued as						
dividend to				4.612	_	4.001
Seaside 88, LP,				4,613	5	4,981
at \$1.08 per						
share, February						
14, 2011						71 600
Derivative liability						71,699
liability - retirement of						
Series B						
Preferred Shares,						

	_ugug		,	🔾		
February 14, 2011 Warrants issued to Scientific Advisory Board, February 15, 2011 Common shares issued for conversion of						54,000
Series B Preferred Shares at \$0.99 per share, February 28, 2011 Derivative liability - retirement of Series B Preferred Shares, February 28, 2011 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, February 28, 2011 Dividend paid to		(40,000) (40)		405,610	406	71,490
Seaside 88, LP, February 28, 2011 Common shares issued as						(3,452)
dividend to Seaside 88, LP at \$0.99 per shares, February 28, 2011 Common shares issued for consulting and				3,500	4	3,448
legal services valued at \$1.22 per share, February 28, 2011 Common shares issued for				4,902 250,000	5 250	5,995 316,000

		9	9	,			
employee stock compensation at \$1.32 per share, March 3, 2011 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 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP,	593,750	594	(40,000) (40)	367,274	367	1,364,036
March 14, 2011 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 Derivative					1,761	2	1,916
Liability - Retirement of Series B Preferred Shares, March 14, 2011 Common shares issued for							70,566
conversion of Series B Preferred Shares at \$1.11 per share, March 28, 2011 Retirement of Series B			(10,000) (10)	89,986	90	
Preferred Shares							

•	9		,			
converted into						
common stock by						
SeaSide 88, LP,						
March 28, 2011						
Dividend paid to						
Seaside 88, LP,						(384)
March 28, 2011						
Common shares						
issued as						
dividend to						
Seaside 88, LP,				345	-	384
at \$1.11 per						
share, March 28,						
2011						
Derivative						
liability -						
retirement of						17,525
Series B						,
Preferred Shares,						
March 28, 2011						
Common shares issued for						
consulting and				1 690	5	5.005
legal services valued at \$1.28				4,680	3	5,995
per share, March						
31, 2011						
Common shares						
issued for						
conversion of						
warrants to				10,000	10	9,990
common stock at				10,000	10	,,,,,
\$1.00 per share,						
April 10, 2011						
Series B						
Preferred Shares						
issued to SeaSide	250,000	250				2,499,750
88, LP, April 18,						
2011						
Placement						
Agents fees						
related to sale of						(160,000)
Convertible						(160,000)
Preferred shares,						
April 18, 2011						
Legal fees						
related to Sale of						
Convertible						(25,000)
Preferred Stock,						
April 18, 2011						(100 ====
						(429,725)

Derivative liability - issuance of Series B Preferred Shares	(272	
Common shares issued for conversion of	(272	
Series B Preferred Shares at \$1.28 per share, April 18, 2011 Retirement of Series B	()
Preferred Shares converted into common stock by SeaSide 88, LP, April 18, 2011 Derivative		
liability - retirement of Series B Preferred Shares, April 18, 2011 Common shares issued for	68,756	
consulting and legal services 4,087 4 valued at \$1.47 per share, April 30, 2011 Common shares issued for conversion of	5,996	
Series B Preferred Shares at \$1.18 per share, May 2, 2011 Retirement of Series B Preferred Shares	(300)
converted into common stock by SeaSide 88, LP, May 2, 2011 Derivative liability - retirement of	68,941	

	•	•					
Series B							
Preferred Shares,							
May 2, 2011							
Dividend paid to							
Seaside 88, LP,						(8,055)
May 2, 2011							
Common shares							
issued as							
dividend to				6,841	7	8,048	
Seaside 88, LP at				0,011	,	0,010	
\$1.18 per shares,							
May 2, 2011							
Warrants issued							
to Scientific						50,400	
Advisory Board,							
May 15, 2011 Common shares							
issued for							
conversion of							
Series B							
Preferred Shares				336,501	337	(297)
at \$1.19 per							
share, May 16,							
2011							
Retirement of							
Series B							
Preferred Shares							
converted into		(40,000)	(40)				
common stock by							
SeaSide 88, LP,							
May 16, 2011							
Derivative							
liability -							
retirement of						69,194	
Series B							
Preferred Shares, May 16, 2011							
Dividend paid to							
Dividend paid to							
_						(6.521)
Seaside 88, LP,						(6,521)
Seaside 88, LP, May 16, 2011						(6,521)
Seaside 88, LP,						(6,521)
Seaside 88, LP, May 16, 2011 Common shares				5 420	5)
Seaside 88, LP, May 16, 2011 Common shares issued as				5,438	5	(6,521 6,516)
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to				5,438	5)
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011				5,438		6,516)
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011 Common shares				5,438 326,480	5 326)
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011 Common shares issued for						6,516	
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011 Common shares issued for conversion of						6,516	
Seaside 88, LP, May 16, 2011 Common shares issued as dividend to Seaside 88, LP at \$1.20 per shares, May 16, 2011 Common shares issued for						6,516	

at \$1.23 per						
share, May 30,						
2011 Retirement of						
Series B						
Preferred Shares						
converted into	(40,000)	(40)				
common stock by	(+0,000)	(40)				
SeaSide 88, LP,						
May 30, 2011						
Derivative						
liability -						
retirement of					60.464	
Series B					69,464	
Preferred Shares,						
May 30, 2011						
Dividend paid to						
Seaside 88, LP,					(4,986)
May 30, 2011						
Common shares						
issued as						
Dividend to			4,070	4	4,982	
Seaside 88, LP at			1,070	•	1,702	
\$1.23 per share,						
May 30, 2011						
Common shares						
issued for						
consulting and			4.007	1	5.006	
legal services valued at \$1.47			4,087	4	5,996	
per share, May						
31, 2011						
Common shares						
issued for						
conversion of						
Series B			220.071	240	(200	,
Preferred Shares			339,971	340	(300)
at \$1.18 per						
share, June 13,						
2011						
Retirement of						
Series B						
Preferred Shares	(40,000)	(40)				
converted into	(40,000)	(40)				
common stock by						
SeaSide 88, LP,						
June 13, 2011 Derivative					69,727	
liability -					07,121	
retirement of						
Series B						
						

Preferred Shares, June 13, 2011 Dividend paid to Seaside 88, LP, June 13, 2011 Common shares issued as				(3,452)
Dividend to		2,934	3	3,449	
Seaside 88, LP at \$1.18 per share,		·		·	
June 13, 2011					
Common shares					
issued for					
conversion of Series B					
Preferred Shares		391,850	392	(352)
at \$1.02 per					
share, June 27,					
2011					
Retirement of Series B					
Preferred Shares					
converted into	(40,000) (40)				
common stock by					
SeaSide 88, LP,					
June 27, 2011					
Derivative					
Liability -					
Retirement of Series B				69,973	
Preferred Share,					
June 27, 2011					
Dividend paid to					
Seaside 88, LP,				(1,918)
June 27, 2011					
Common shares issued as					
Dividend to					
Seaside 88, LP at		1,741	2	1,916	
\$1.10 per share,					
June 27, 2011					
Common shares					
issued for					
consulting and legal services		4,902	5	5,995	
valued at \$1.22		.,. 🗸	-	-,-,-	
per share, June					
30, 2011					

Net loss

(6,4)

Balance, June 30, 2011	8,217,500	8,218	10,000	10	-	-	143,548,494	143,582	33,235,990	(23,2
Common shares issued for 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 Derivative			(10,000)	(10)			89,986	90		
liability - retirement of Series B Preferred Shares, July 11, 2011 Dividend to									17,881	
Seaside 88, LP, paid on July 11, 2011 Common shares issued as									(381)
dividend to Seaside 88, LP at \$1.18 per share, July 11, 2011 Series B							345	-	381	
Preferred Shares issued to SeaSide 88, LP, on July 26, 2011 Placement			250,000	250					2,499,750	
Agents fees related to sale of Convertible Preferred shares, July 26, 2011 Derivative									(150,000)
liability - issuance of Series B Preferred Shares									(429,768)
									(6,250)

	Lugar i ming. NANOVI	riioiblo, iivo. To	iiii io Q		
Legal Fees related to Sale of Convertible Preferred Stock, July 26, 2011 Common shares issued in conversion of					
Series B					
Preferred Shares			377,800	378	
to common stock					
at \$1.18 per share, July 26,					
2011					
Retirement of					
Series B					
Preferred Shares					
converted into	(40,000)	(40)			
common stock by					
SeaSide 88, LP,					
July 26, 2011					
Derivative					
liability -					
retirement of Series B					68,425
Preferred Shares,					
July 26, 2011					
Common shares					
issued for					
consulting and					
legal services			4,762	5	5,995
valued at \$1.26					
per share, July					
31, 2011					
Warrants issued to Scientific					
Advisory Board,					56,400
August 15, 2011					
Common shares					
issued for					
conversion of					
Series B			437,187	437	
Preferred Shares			.57,137	,	
at \$0.92 per					
share, August 8, 2011					
Retirement of	(40,000)	(40)			
Series B	(10,000)	, (10)			
Preferred Shares					
converted into					
common stock by					

SeaSide 88, LP, August 8, 2011						
Derivative						
liability - retirement of					60.102	
Series B					69,193	
Preferred Shares,						
August 8, 2011 Dividend to						
Seaside 88, LP,					40.0 	
paid on August 8,					(8,055)
2011						
Common shares issued as						
Dividend to			0.00	0	0.04=	
Seaside 88, LP at			8,205	8	8,047	
\$0.98 per share,						
August 8, 2011 Common shares						
issued for						
conversion of						
Series B			419,829	420		
Preferred Shares			119,029	120		
at \$0.95 per share, August 23,						
2011						
Retirement of						
Series B						
Preferred Shares converted into	(40,000)	(40)				
common stock by	(40,000)	(40)				
SeaSide 88, LP,						
August 23, 2011						
Derivative						
liability - retirement of						
Series B					69,351	
Preferred Shares,						
August 23, 2011						
Dividend paid to Seaside 88, LP,					(6,521)
August 23, 2011					(0,021	,
Common shares						
issued as						
Dividend to Seaside 88, LP at			6,844	7	6,514	
\$0.95 per share,						
August 23, 2011						
Common shares			5,263	5	5,995	
issued for consulting and						
consulting and						

legal services valued at \$1.14 per share, August 31, 2011 Common shares issued for conversion of Series B 422,873 423 **Preferred Shares** at \$0.95 per share, September 6, 2011 Retirement of Series B **Preferred Shares** converted into (40,000) (40)common stock by SeaSide 88, LP, September 6, 2011 Derivative liability retirement of Series B 69,887 Preferred Shares, September 6, 2011 Dividend paid to Seaside 88, LP, (4,986) September 6, 2011 Common shares issued as Dividend to Seaside 88, LP at 5,264 5 4,981 \$0.95 per share, September 6, 2011 Common shares issued in conversion of Series B 427,652 428 **Preferred Shares** at \$0.94 per share, September 19, 2011 (40,000) (40)Retirement of Series B **Preferred Shares** converted into common stock by

•	9		,				
SeaSide 88, LP,							
September 19,							
2011							
Derivative							
liability -							
retirement of							
Series B						69,970	
						09,970	
Preferred Share,							
September 19,							
2011							
Dividend to							
Seaside 88, LP,							
paid on						(3,452)
September 19,							
2011							
Common shares							
issued as							
Dividend to							
Seaside 88, LP at				3,691	3	3,449	
\$0.94 per share,							
September 19,							
2011							
Common shares							
issued for							
consulting and							
legal services							
valued at \$1.07				5,607	6	5,994	
per share,							
September 30,							
2011							
Shares issued in							
conversion of							
Series B							
Preferred Shares							
to Common				514,311	514		
Stock at \$.78 per							
share, .001 par							
value, on							
October 3, 2011							
Retirement of							
Series B							
Preferred Shares							
converted into	(40,000	(40)					
common stock by	(40,000) (40)					
SeaSide 88, LP,							
.001 par value on							
October 3, 2011							
Derivative						69,496	
Liability -						•	
Retirement of							
Preferred Series							

Lagari	illig. IVAIVOVII	iioiblo, iivo. T	onn io Q			
B on October 3, 2011						
Shares issued as Dividend to						
Seaside 88, LP,						
.001 par value			2,270	2	1,916	
common stock at						
\$0.85 on October						
3, 2011						
Dividend to						
Seaside 88, LP, paid on October					(1,918)
3, 2011						
Shares issued in						
conversion of						
Series B						
Preferred Shares						
to Common			144,484	144		
Stock at \$0.69						
per share, .001 par value, on						
October 17, 2011						
Retirement of						
Series B						
Preferred Shares						
converted into	(10,000)	(10)				
common stock by	(-,,					
SeaSide 88, LP, .001 par value on						
October 17, 2011						
Derivative						
Liability -						
Retirement of					17,790	
Preferred Series					17,700	
B on October 17,						
2011 Shares issued as						
Dividend to						
Seaside 88, LP,						
.001 par value			510	1	383	
common stock at						
\$0.75 on October						
17, 2011						
Dividend to						
Seaside 88, LP, paid on October					(384)
17, 2011						
Shares issued for			6,537	5	5,995	
consulting and			•		,	
legal services						
rendered at						

\$0..92 per share on October 31, 2011 Series B **Preferred Shares** issued to SeaSide 250,000 2,499,750 88, LP, \$.001 par 250 value on November 1, 2011 Placement Agents Fees related to sale of Convertible (160,000)Preferred shares on November 1, 2011 Derivative Liability -Issuance of (429,804) **Preferred Series** В Legal Fees related to Sale of Convertible (25,000) Preferred Stock November 1, 2011 Shares issued in conversion of Series B **Preferred Shares** to Common 511,787 512 Stock at \$0.78 per share, .001 par value, on November 1, 2011 Retirement of Series B **Preferred Shares** converted into (40,000) (40)common stock by SeaSide 88, LP, .001 par value on November 2, 2011 Derivative 68,297 Liability -Retirement of **Preferred Series**

Logariiii	ig. IVAIVO VII IIOII	DEO, 1140. 1 01	111 10 Q			
B on November 1, 2011 Warrants issued						
to Scientific						
Advisory Board					56,400	
on November 15,					30,400	
2011						
Shares issued in						
conversion of						
Series B						
Preferred Shares						
to Common						
Stock at \$0.69			578,595	579		
per share, .001						
par value, on						
November 15,						
2011						
Retirement of						
Series B						
Preferred Shares						
converted into						
common stock by	(40,000) (40	0)				
SeaSide 88, LP,						
.001 par value on						
November 15,						
2011						
Derivative						
Liability -						
Retirement of					68,411	
Preferred Series					00,411	
B on November						
15, 2011						
Shares issued as						
Dividend to						
Seaside 88, LP,						
.001 par value			10,311	10	7,469	
common stock at			,		,	
\$073						
onNovember 15,						
2011 Dividend to						
Seaside 88, LP, paid on					(7,479	`
November 15,					(1,419	,
2011						
Shares issued in			642,735	643		
conversion of			UT4, 133	UTJ		
Series B						
Preferred Shares						
to Common						
Steels at \$0.62						

Stock at \$0.62

	9	9	,				
per share, .001							
par value, on							
November 29,							
2011							
Retirement of							
Series B							
Preferred Shares							
converted into							
common stock by		(40,000)	(40)				
SeaSide 88, LP,		(-, ,	(- /				
.001 par value on							
November 29,							
2011							
Derivative							
Liability -							
Retirement of						60.501	
Preferred Series						68,591	
B on November							
29, 2011							
Shares issued as							
Dividend to							
Seaside 88, LP,							
.001 par value				10 120	10	C 511	
common stock at				10,139	10	6,511	
\$0.64 on							
November 29,							
2011							
Dividend to							
Seaside 88, LP,							
paid on						(6,521)	
November 29,							
2011							
Shares issued for							
consulting and							
legal services							
rendered at \$0.81				7,373	7	5,993	
per share on							
November 30,							
2011							
Shares issued in							
conversion of							
Series B							
Preferred Shares							
to Common				751,315	751		
Stock at \$0.53				,			
per share, .001							
par value, on							
December 13,							
2011		(40,000)	(40.)				
Retirement of		(40,000)	(40)				
Series B							

Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on December 13, 2011 Derivative Liability -Retirement of 68,753 **Preferred Series** B on December 13, 2011 Shares issued as Dividend to Seaside 88, LP, .001 par value 8,798 9 4,977 common stock at \$0.57 on December 13, 2011 Dividend to Seaside 88, LP, paid on (4,986 December 13, 2011 Shares issued in conversion of Series B **Preferred Shares** to Common 796,785 798 Stock at \$0.51 per share, .001 par value, on December 27, 2011 Retirement of Series B **Preferred Shares** converted into common stock by (40,000) (40)SeaSide 88, LP, .001 par value on December 27, 2011 Derivative Liability -Retirement of 68,965 **Preferred Series** B on December 27, 2011

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•	3	,				
Shares issued as						
Dividend to						
Seaside 88, LP,						
.001 par value			C 010	7	2 442	
common stock at			6,818	7	3,443	
\$0.57 on						
December 27,						
2011						
Dividend to						
Seaside 88, LP,						
paid on					(3,452)
December 27,					,	
2011						
Shares issued for						
consulting and						
legal services						
rendered at \$0.64			9,403	9	5,991	
per share on			. ,	-	- ,	
December 31,						
2011						
Shares issued in						
conversion of						
Series B						
Preferred Shares						
to Common			788,053	788		
Stock at \$.51 per			, , , , , , , ,			
share, .001 par						
value, on January						
10, 2012						
Retirement of						
Series B						
Preferred Shares						
converted into						
common stock by	(40,000)	(40)				
SeaSide 88, LP,						
.001 par value on						
January 10,2012						
Derivative Derivative						
Liability -						
Retirement of						
Preferred Series					69,222	
B on January 10,						
2012						
Shares issued as						
Dividend to						
Seaside 88, LP,						
.001 par value			3,742	4	1,914	
common stock at			,		,	
\$0.51 onJanuary						
10, 2012						
					(1,918)
					-	

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Dividend to					
Seaside 88, LP,					
paid on January					
10, 2012					
Shares issued in					
conversion of					
Series B					
Preferred Shares					
to Common			208,546	209	
Stock at \$0.48			200,010	_0,	
per share, .001					
par value, on					
January 24, 2012					
Retirement of					
Series B					
Preferred Shares					
converted into	(10,000)	(10)			
common stock by	(10,000)	(10)			
SeaSide 88, LP,					
.001 par value on					
January 24, 2012					
Derivative					
Liability -					
Retirement of					CO 002
Preferred Series					69,883
B on January 24,					
2012					
Shares issued as					
Dividend to					
Seaside 88, LP,					
.001 par value			786		383
common stock at					
\$0.49 on January					
24, 2012					
Dividend to					
Seaside 88, LP,					(384)
paid on January					(384)
24, 2012					
Shares issued for					
consulting and					
legal services			10,367	10	5,990
rendered at \$0.58			10,507	10	3,770
per share on					
January 31, 2012					
Series B					
Preferred Shares					
issued to SeaSide	250,000	250			2,499,750
88, LP, \$.001	,000				, ,
par value on					
February 8, 2012					(150,000
					(150,000)

Placement Agents Fees related to sale of Convertible Preferred shares on February 8, 2012 Derivative Liability -Issuance of (430,283) **Preferred Series** Legal Fees related to Sale of Convertible (6,250)Preferred Stock February 8, 2012 Shares issued in conversion of Series B **Preferred Shares** to Common 717,142 717 Stock at \$0.56 per share, .001 par value, on February 8, 2012 Retirement of Series B **Preferred Shares** converted into common stock by (40,000) (40)SeaSide 88, LP, .001 par value on February 8, 2012 Derivative Liability -Retirement of 68,169 **Preferred Series** B on February 8, 2012 Warrants issued to Scientific **Advisory Board** 51,000 on February 15, 2012 Shares issued in 576 576,062 conversion of Series B **Preferred Shares**

to Common

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Stock at \$0.69 per share, 0.01 per value, on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, 0.001 par value common stock at So.69 on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 7,767 8 5,992 5,992 5,792			_aga: :g.				υ ω			
per share, 001 par value, on February 22, 2012 Retirement of Scries B Preferred Shares converted into common stock by Seaside 8s, LP, 001 par value on February 22, 2012 Derivative Liability - Retirement of Scries B Preferred Scries B on February 22, 2012 Derivative Liability - Retirement of Scries B Rom February 22, 2012 Shares issued as Dividend to Seaside 8s, LP, 001 par value Common stock by Seaside 8s, LP, 001 par value States issued as Dividend to Seaside 8s, LP, 001 par value Common stock at So.69 on February 22, 2012 Dividend to Seaside 8s, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for complexed to Spars is sued for complex	Stock at \$0.69									
par value, on February 22, 2012 Retirement of Scries B Preferred Shares converted into common stock by (40,000) (40) SeaSide 88, LP, 001 par value on February 22, 2012 Derivative Liability - Retirement of Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, 001 par value on February 22, 2012 Shares issued or consulting and legal services rendered at \$0.77										
On February 22, 2012 Retirement of Series B Preferred Shares converted into common stock by (40,000) (40) SeaSide 88, LP,	•									
2012	_									
Retirement of Scries B Freferred Shares converted into common stock by SeaSide 88, LP, .001 par value on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at So.69 on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at So.69 on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at So.69 on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77										
Series B Preferred Shares Converted Shares										
Preferred Shares converted into common stock by (40,000) (4										
converted into common stock by SeaSide 88, LP, O01 par value on February 22, 2012 Derivative Liability - Retirement of Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, O01 par value on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, O01 par value common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$7.3 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$93,750										
Common stock by SeaSide 88, LP, Gallet 1997 Common stock at 19										
SeaSide 88, LP 0.01 par value on February 22, 2012				(40,000)	(40.)					
Marchange Marc	•			(40,000)	(40)					
February 22, 2012 Shares issued as Dividend to Seaside 88, LP, 11,600 12 7,467 Seaside 88, LP, 11,600 12 7,467 Seaside 88, LP, 11,600 12 7,467 Seaside 88, LP, 11,600 12 1,407 Seaside 88, LP, 12,600 12 1,407 Seaside 88, LP, 12,										
2012 Derivative Liability - Retirement of Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, .001 par value Common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77	_									
Derivative Liability - Retirement of										
Liability - Retirement of Preferred Series										
Retirement of Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP,										
Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP,	<u>-</u>									
Preferred Series B on February 22, 2012 Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 COmmon shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for 593,750 594 593,750 594 633,814									68 424	
22, 2012 Shares issued as Dividend to Seaside 88, LP,	Preferred Series								00,727	
Shares issued as Dividend to Seaside 88, LP,	B on February									
Dividend to Seaside 88, LP,	22, 2012									
Seaside 88, LP, .001 par value common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 COmmon shares issued for employee stock compensation at \$7.37 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$93,750	Shares issued as									
.001 par value common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$593,750 \$594	Dividend to									
common stock at \$0.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594	Seaside 88, LP,									
So.69 on February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 (7,479) (.001 par value					11	600	12	7 467	
February 22, 2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$593,750\$ 593,750 594 (7,479 (8) (8) (8) (8) (8) (8) (8) (8	common stock at					11	,000	12	7,407	
2012 Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 (7,479) (7,4	\$0.69 on									
Dividend to Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$593,750\$ \$594 \$633,814	February 22,									
Seaside 88, LP, paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 (7,479) (8,19) (9,19)	2012									
paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814	Dividend to									
paid on February 22, 2012 Shares issued for consulting and legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814	Seaside 88, LP,								(7.470	`
Shares issued for consulting and legal services rendered at \$0.77	paid on February								(7,479)
consulting and legal services rendered at \$0.77	22, 2012									
legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 7,767 8 5,992 7,767 8 5,992 7,767 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 6,992	Shares issued for									
legal services rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 7,767 8 5,992 7,767 8 5,992 7,767 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 5,992 8 6,992	consulting and									
rendered at \$0.77 per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814										
per share on February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814						7,7	767	8	5,992	
February 29, 2012 Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814						•				
Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814	_									
Common shares issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 \$633,814										
issued for employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, \$593,750\$ \$594 \$633,814										
employee stock compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 250,000 250 181,624										
compensation at \$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814										
\$.73 per share, March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814						25	0,000	250	181,624	
March 3, 2012 Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814	_									
Series A Preferred Shares issued for employee stock compensation, 593,750 594 633,814										
Preferred Shares issued for employee stock compensation, 593,750 594 633,814										
issued for employee stock compensation, 593,750 594 633,814										
employee stock compensation, 593,750 594 633,814										
compensation,		593,750	594						633,814	
	= -									
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Shares issued in conversion of Series B							
Preferred Shares to Common				628,289	628		
Stock at \$0.64							
per share, .001 par value, on							
March 07, 2012							
Retirement of							
Series B							
Preferred Shares							
converted into	(40),000)	(40)				
common stock by		,					
SeaSide 88, LP, .001 par value on							
March 7, 2012							
Derivative							
Liability -							
Retirement of						68,602	
Preferred Series						,	
B on March 7, 2012							
Shares issued as							
Dividend to							
Seaside 88, LP,							
.001 par value				10,242	10	6,511	
common stock at							
\$0.64 on March 7, 2012							
Dividend to							
Seaside 88, LP,						(6.501	`
paid on March 7,						(6,521)
2012							
Shares issued in							
conversion of Series B							
Preferred Shares							
to Common				635,991	636		
Stock at \$0.63				,			
per share, .001							
par value, on							
March 21, 2012 Retirement of							
Series B							
Preferred Shares							
converted into	(10	, 000 /	(40.)				
common stock by	(40),000)	(40)				
SeaSide 88, LP,							
.001 par value on							
March 21, 2012							

		,				
Derivative						
Liability -						
Retirement of					68,862	
Preferred Series					00,002	
B on March 21,						
2012						
Shares issued as						
Dividend to						
Seaside 88, LP,			- 012	•	4.050	
.001 par value			7,812	8	4,978	
common stock at						
\$0.64 on March						
21, 2012						
Dividend to						
Seaside 88, LP,					(4,986)
paid on March 21, 2012						
Shares issued for						
consulting and legal services						
rendered at \$0.78			7,728	8	5,992	
per share on						
March 31, 2012						
Shares issued in						
conversion of						
Series B						
JEHES D						
Preferred Shares			661.496	661		
Preferred Shares to Common			661,496	661		
Preferred Shares to Common Stock at \$.61 per			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4,			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of			661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B	(40,000) (40,000)		661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP,	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability -	(40,000) (40)	661,496	661		
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of	(40,000) (40)	661,496	661	69 098	
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series	(40,000) (40)	661,496	661	69,098	
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4,	(40,000) (40)	661,496	661	69,098	
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4, 2012	(40,000) (40)				
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4, 2012 Shares issued as	(40,000) (40)	5,709	661	69,098 3,446	
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4, 2012 Shares issued as Dividend to	(40,000) (40)				
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4, 2012 Shares issued as Dividend to Seaside 88, LP,	(40,000) (40)				
Preferred Shares to Common Stock at \$.61 per share, .001 par value, on April 4, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on April 4, 2012 Derivative Liability - Retirement of Preferred Series B on April 4, 2012 Shares issued as Dividend to	(40,000) (40)				

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\$0.61 on April 4, 2012					
Dividend to Seaside 88, LP,				(3,452)
paid on April 4, 2012				(3,132	,
Shares issued in conversion of					
Series B Preferred Shares					
to Common Stock at \$0.51		785,453	785		
per share, .001					
par value, on					
April 18, 2012 Retirement of					
Series B					
Preferred Shares converted into					
common stock by	(40,000) (40)				
SeaSide 88, LP,					
.001 par value on April 18, 2012					
Derivative					
Liability -					
Retirement of Preferred Series				69,224	
B on April 18,					
2012					
Shares issued as Dividend to					
Seaside 88, LP,					
.001 par value		3,579	4	1,914	
common stock at \$0.54 on April					
18, 2012					
Dividend to					
Seaside 88, LP, paid on April 18,				(1,918)
2012					
Shares issued for consulting and					
legal services		0.547	0	<i>5</i> ,000	
rendered at \$0.63		9,547	9	5,990	
per share on April 30, 2012					
Shares issued in		198,354	199		
conversion of					
Series B Preferred Shares					
to Common					

	9	,		,					
Stock at \$0.50 per share, .001 par value, on May 2, 2012 Retirement of Series B Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on May 2, 2012		(10,000)	(10)						
Derivative Liability - Retirement of Preferred Series B on May 2, 2012								69,892	
Warrants issued to Scientific Advisory Board on May 15, 2012 Shares issued as Dividend to								47,400	
Seaside 88, LP, .001 par value common stock at \$0.51 on May 2, 2012 Dividend to						754	1	383	
Seaside 88, LP, paid on May 2, 2012 Shares issued for								(384)
consulting and legal services rendered at \$0.67 per share on May 31, 2012 Series C						8,962	9	5,991	
Preferred Shares issued to SeaSide 88, LP, \$.001 par value on June 28, 2012				2,500	3			2,499,997	
Placement Agents Fees related to sale of Convertible Preferred shares on June 28, 2012								(150,000)

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Derivative Liability - Issuance of Preferred Series C						(1,090,017)
Legal Fees related to Sale of Convertible Preferred Stock June 28, 2012 Sharees of Series						(25,000)
A Preferred issued for legal services rendered Shares issued in conversion of Series C	10,000	10				3,277
Preferred Shares to Common Stock at \$0.49 per share, .001 par value, on June 28, 2012				298,472	298	
Retirement of Series C Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value on June 28, 2012			(147) -			
Derivative Liability - Retirement of Preferred Series C on June 28, 2012 Series A						63,704
Preferred Shares issued for employee stock compensation, June 28, 2012 Shares issued for	1,050,000	1,050				344,122
consulting and legal services rendered at \$0.61 per share on June 30, 2012				9,867	10	5,990

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Net loss for the year ended June 30, 2012										
Balance, June 30, 2012	9,871,250	9,872	-	-	2,353	3	155,612,293	155,644	43,108,790	(29,4
Shares issued in conversion of Series C Preferred Shares to Common Stock at \$.49 per share, .001 par value, on July 12, 2012							212,398	212		
Retirement of Series C Preferred Shares converted into common stock by SeaSide 88, LP, .001 par value onJuly 12, 2012					(103)	(0)				
Derivative Liability - Retirement of Preferred Series C on July 12, 2012									44,190	
Shares issued as Dividend to Seaside 88, LP, .001 par value common stock at \$0.49 on JULY 12, 2012							18,397	18	9,008	
Dividend to Seaside 88, LP, paid on July 12, 2012									(9,026)	
Shares issued in conversion of Series C Preferred Shares		&	nbsp							

to Common

Stock at \$0.47 per share, .001 par value, on July 26, 2012