

Lightwave Logic, Inc.
Form 10-Q
November 14, 2014

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 September 30, 2014

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 0-52567

Lightwave Logic, Inc.

(Exact name of registrant as specified in its charter)

Edgar Filing: Lightwave Logic, Inc. - Form 10-Q

Nevada

82-049-7368

(State or other jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

1831 Lefthand Circle, Suite C

Longmont, CO

80501

(Address of principal executive offices)

(Zip Code)

(720) 340-4949

(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) 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 Website, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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 outstanding as of November 13, 2014 was 58,364,545.

TABLE OF CONTENTS

		Page
Part I	Financial Information	
	<u>Item 1</u>	<u>Financial Statements</u> 1
	<u>Item 2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 16
	<u>Item 4</u>	<u>Controls and Procedures</u> 27
Part II	Other Information	
	<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 28
	<u>Item 5</u>	<u>Other Information</u> 28
	<u>Item 6</u>	<u>Exhibits</u> 28
		<u>Signatures</u> 29

Forward-Looking Statements

This report on Form 10-Q contains forward-looking statements. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as anticipate, estimate, plan, project, continuing, ongoing, expect, we believe, we intend, may, should, will, could and similar expressions that indicate uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements. You should not place undue reliance on these forward-looking statements.

Factors that that are known to us that could cause a different result than projected by the forward-looking statement, include, but are not limited to: lack of available funding; general economic and business conditions; competition from third parties; intellectual property rights of third parties; regulatory constraints; changes in technology and methods of marketing; delays in completing various engineering and manufacturing programs; changes in customer order patterns; changes in product mix; success in technological advances and delivering technological innovations; shortages in components; production delays due to performance quality issues with outsourced components; those events and factors described by us in Item 1.A Risk Factors in our most recent Annual Report on Form 10-K; other risks to which our Company is subject; other factors beyond the Company's control.

Any forward-looking statement made by us in this report on Form 10-Q is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

PART I FINANCIAL INFORMATION

Item 1

Financial Statements

LIGHTWAVE LOGIC, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

(UNAUDITED)

	Page
Balance Sheets	2
Statements of Operations	3
Statement of Stockholders' Equity	4
Statements of Cash Flow	5
Notes to Financial Statements	6

LIGHTWAVE LOGIC, INC.**BALANCE SHEETS**

	September 30,	December 31,
	2014	2013
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,213,873	\$ 2,270,704
Prepaid expenses	171,463	132,204
	4,385,336	2,402,908
PROPERTY AND EQUIPMENT - NET	403,641	298,360
OTHER ASSETS		
Intangible assets - net	602,655	543,540
TOTAL ASSETS	\$ 5,391,632	\$ 3,244,808
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 329,295	\$ 65,410
Accounts payable and accrued expenses- related parties	69,791	48,817
Accrued expenses	103,048	7,949
TOTAL LIABILITIES	502,134	122,176
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 1,000,000 authorized No shares issued or outstanding		
Common stock \$0.001 par value, 100,000,000 authorized 58,362,137 and 52,617,789 issued and outstanding at September 30, 2014 and December 31, 2013	58,362	52,618
Additional paid-in-capital	40,349,009	35,414,206
Accumulated deficit	(35,517,873)	(32,344,192)
TOTAL STOCKHOLDERS' EQUITY	4,889,498	3,122,632
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 5,391,632	\$ 3,244,808

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.**STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS AND NINE MONTHS ENDING SEPTEMBER 30, 2014 AND 2013****(UNAUDITED)**

	For the Three Months Ending September 30,		For the Nine Months Ending September 30,	
	2014	2013	2014	2013
NET SALES	\$	\$	\$ 2,500	\$
COST AND EXPENSE				
Research and development	741,464	580,403	1,945,357	1,566,901
General and administrative	419,259	417,357	1,214,340	1,298,361
	1,160,723	997,760	3,159,697	2,865,262
LOSS FROM OPERATIONS	(1,160,723)	(997,760)	(3,157,197)	(2,865,262)
OTHER INCOME (EXPENSE)				
Interest income and other income	255	63	378	204
Commitment fee and interest expense	(14,121)		(16,862)	(204,273)
NET LOSS	\$ (1,174,589)	\$ (997,697)	\$ (3,173,681)	\$ (3,069,331)
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.06)
Basic and Diluted Weighted Average	57,854,086	52,046,797	54,717,772	51,417,151

Number of
Shares

See accompanying notes to these financial statements.

3

LIGHTWAVE LOGIC, INC.
STATEMENT OF STOCKHOLDERS EQUITY
SEPTEMBER 30, 2014
(UNAUDITED)

	Number of Shares		Common Stock		Paid-in Capital		Accumulated Deficit		Total
BALANCE AT DECEMBER 31, 2013	52,617,789	\$	52,618	\$	35,414,206	\$	(32,344,192)	\$	3,122,632
Common stock issued to institutional investor	1,063,648		1,065		1,035,083				1,036,148
Common stock issued for additional commitment shares	15,630		15		16,847				16,862
Common stock issued in private placement	4,207,600		4,207		3,135,793				3,140,000
Common stock issued for services	8,470		8						