

Lightwave Logic, Inc.
Form 10-Q
May 15, 2013

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 March 31, 2013

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)

Nevada

(State or other jurisdiction of
Incorporation or Organization)

82-049-7368

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

111 Ruthar Drive

Newark, DE

(Address of principal executive offices)

19711

(Zip Code)

(302) 356-2717

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(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

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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 May 15, 2013 was 51,826,797

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PART I FINANCIAL INFORMATION

Item 1

Financial Information

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LIGHTWAVE LOGIC, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

MARCH 31, 2013

(UNAUDITED)

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LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

BALANCE SHEETS

	March 31, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
CURRENT ASSETS	\$	\$
Cash and cash equivalents	3,319,258	2,936,879
Prepaid expenses	75,107	89,975
	3,394,365	3,026,854
PROPERTY AND EQUIPMENT - NET	364,752	300,994
OTHER ASSETS		
Intangible assets - net	495,533	488,526
	\$	\$
TOTAL ASSETS	4,254,650	3,816,374
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES	\$	\$
Accounts payable	125,451	96,384
Accounts payable and accrued expenses- related parties	75,787	55,606
Accrued expenses	9,738	3,338
TOTAL LIABILITIES	210,976	155,328
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 1,000,000 authorized		
No shares issued or outstanding	-	-

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Common stock \$0.001 par value, 100,000,000 authorized

51,097,728 and 50,160,758 issued and outstanding at

March 31, 2013 and December 31, 2012	51,099	50,161
Additional paid-in-capital	33,346,912	32,042,751
Accumulated deficit	(15,827)	(15,827)
Deficit accumulated during development stage	(^,338,510)	(28,416,039)
TOTAL STOCKHOLDERS' EQUITY	4,043,674	3,661,046
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4,254,650	3,816,374

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDING MARCH 31, 2013 AND 2012 AND
FOR THE PERIOD

JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO MARCH 31, 2013

(UNAUDITED)

	Cumulative Since Inception	For the Three Months Ending March 31, 2013	For the Three Months Ending March 31, 2012
	\$	\$	\$
NET SALES	3,200	-	-
COST AND EXPENSE			
Research and development	13,609,570	455,382	472,409
General and administrative	15,369,185	447,618	297,190
	28,978,755	903,000	769,599
LOSS FROM OPERATIONS	(28,975,555)	(903,000)	(769,599)
OTHER INCOME (EXPENSE)			
Interest income	31,125	79	198
Dividend income	1,551	-	-
Realized gain on investment	3,911	-	-
Realized gain on disposal of assets	637	-	-
Litigation settlement	(47,500)	-	-
Commitment fee and interest expense	(352,679)	(19,550)	(101,945)
	\$	\$	\$
NET LOSS	(29,338,510)	(922,471)	(871,346)
		\$	\$
Basic and Diluted Loss per Share		(0.02)	(0.02)
Basic and Diluted Weighted Average Number of Shares		50,461,598	46,732,009

See accompanying notes to these financial statements.

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LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO MARCH 31, 2013

(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Unrealized Loss on Securities	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
ENDING BALANCE AT DECEMBER 31, 2003	100	\$ 1	\$ -	\$ -	\$ -	\$ -	(15,827)	\$ -	(15,826)
Retroactive recapitalization upon reverse acquisition	706,973	706	(706)	-	-	-	-	-	-
BALANCE AT JANUARY 1, 2004	707,073	707	(706)	-	-	-	(15,827)	-	(15,826)
Common stock issued to founders	13,292,927	13,293	(13,293)	-	-	-	-	-	-
Common stock issued for future services in July 2004 at \$0.16/share	1,600,000	1,600	254,400	-	-	-	-	-	256,000
	2,000,000	2,000	(2,000)	-	-	-	-	-	-

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Common stock issued at merger									
Common stock issued for future services in August 2004 at \$0.12/share	637,500	638	74,362	-	-	-	-	-	75,000
Conversion of note payable in December 2004 at \$0.16/share	187,500	187	29,813	-	-	-	-	-	30,000
Net loss for the year ended December 31, 2004	-	-	-	-	-	-	-	(722,146)	(722,146)
BALANCE AT DECEMBER 31, 2004	18,425,000	18,425	342,576	-	-	-	(15,827)	(722,146)	(376,972)
Common stock issued in private placement in April 2005 at \$0.25/share	4,000,000	4,000	996,000	-	-	-	-	-	1,000,000
Conversion of notes payable in May 2005 at \$0.16/share	3,118,750	3,119	495,881	-	-	-	-	-	499,000
Subscription receivable	-	-	-	(6,500)	-	-	-	-	(6,500)
Common stock issued for future services in August 2005, valued at \$2.79/share	210,000	210	585,290	-	-	-	-	-	585,500
Common stock issued for future services in August 2005, valued at \$2.92/share	200,000	200	583,800	-	-	-	-	-	584,000
Warrants issued for services in May 2005, vested during 2005, valued at \$1.13/share	-	-	37,000	-	-	-	-	-	37,000

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Warrants issued for services in September 2005, vested during 2005, valued at \$1.45/share	-	-	24,200	-	-	-	-	-	24,200
Warrants issued for services in October 2005, vested during 2005, valued at \$0.53/share	-	-	15,900	-	-	-	-	-	15,900
Warrants issued for future services in December 2005, vested during 2005, valued at \$1.45/share	-	-	435,060	-	-	-	-	-	435,060
Deferred charges for common stock issued for future services in August 2005, valued at \$2.92/share	-	-	-	-	(584,000)	-	-	-	(584,000)
Amortization of deferred charges	-	-	-	-	265,455	-	-	-	265,455
Exercise of warrants in December 2005 at \$0.25/share	300,000	300	74,700	-	-	-	-	-	75,000
Net loss for the year ended December 31, 2005	-	-	-	-	-	-	-	(1,721,765)	(1,721,765)
BALANCE AT DECEMBER 31, 2005	26,253,750	26,254	3,590,407	(6,500)	(318,545)	-	(15,827)	(2,443,911)	831,878
Common stock issued in private placement during 2006 at \$0.50/share	850,000	850	424,150	-	-	-	-	-	425,000

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Common stock issued for future services in February 2006, valued at \$0.90/share	300,000	300	269,700	-	-	-	-	-	270,000
Common stock issued for future services in May 2006, valued at \$1.55/share	400,000	400	619,600	-	-	-	-	-	620,000
Common stock issued for future services in June 2006, valued at \$1.45/share	25,000	25	36,225	-	-	-	-	-	36,250
Common stock issued for future services in November 2006, valued at \$0.49/share	60,000	60	29,340	-	-	-	-	-	29,400
Warrants issued for services in September 2005, vested during 2006, valued at \$1.45/share	-	-	66,500	-	-	-	-	-	66,500
Warrants issued for future services in June 2006, vested during 2006, valued at \$1.55/share	-	-	465,996	-	-	-	-	-	465,996
Options issued for services in February 2006, vested during 2006, valued at \$1.01/share	-	-	428,888	-	-	-	-	-	428,888
Contributed capital related to accrued interest	-	-	35,624	-	-	-	-	-	35,624
Subscription receivable	-	-	-	6,500	-	-	-	-	6,500
Amortization of deferred	-	-	-	-	318,545	-	-	-	318,545

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charges									
Unrealized gain									
(loss) on	-	-	-	-	-	(26,000)	-	-	(26,000)
securities									
Net loss for the									
year ending									
December 31,	-	-	-	-	-		-	(2,933,809)	(2,933,809)
2006									
 BALANCE AT									
DECEMBER	27,888,750	\$ 27,889	\$5,966,430	\$	-	\$ (26,000)	(15,827)	\$ (5,377,720)	\$ 574,772
31, 2006									

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.

(A Development Stage Company)

STATEMENT OF STOCKHOLDERS EQUITY

FOR THE PERIOD JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO MARCH 31, 2013
(CONTINUED)

(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Unrealized Loss on Securities	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
BALANCE AT DECEMBER 31, 2006	27,888,750	\$ 27,889	\$ 5,966,430	\$ -	\$ -	\$ (26,000)	\$ (15,827)	\$ (5,377,720)	574,772
Common stock issued in private placement during 2007 at \$0.50/share	2,482,000	2,482	1,238,518	-	-	-	-	-	1,241,000
Common stock issued in private placement during 2007 at \$0.60/share	1,767,540	1,768	1,058,756	-	-	-	-	-	1,060,524
Common stock subscription rescinded during 2007 at \$0.50/share	(400,000)	(400)	(199,600)	-	-	-	-	-	(200,000)
Common stock issued for future services in	151,785	152	106,098	-	-	-	-	-	106,250

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February 2007, valued at \$0.70/share									
Common stock issued for future services in March 2007, valued at \$0.58/share	1,000,000	1,000	579,000	-	-	-	-	-	580,000
Common stock issued for services and settlement for accounts payable in April 2007, valued at \$0.35/share	100,000	100	34,900						35,000
Common stock issued for services in October 2007, valued at \$0.68/share	150,000	150	101,850	-	-	-	-	-	102,000
Common stock issued for services in October 2007, valued at \$0.90/share	150,000	150	134,850	-	-	-	-	-	135,000
Common stock issued for services in November 2007, valued at \$0.72/share	400,000	400	287,600	-	-	-	-	-	288,000
Warrants issued for services in September 2005, vested during 2007, valued at \$1.45/share	-	-	36,370	-	-	-	-	-	36,370
Warrants issued for services in March 2007, vested during 2007, valued	-	-	52,180	-	-	-	-	-	52,180

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at \$0.63/share Warrants issued for services in April 2007, vested during 2007, valued at \$0.69/share	-	-	293,476	-	-	-	-	-	293,476
Warrants issued for services in April 2007, vested during 2007, valued at \$0.63/share	-	-	140,490	-	-	-	-	-	140,490
Warrants issued for services in May 2007, vested during 2007, valued at \$0.56/share	-	-	52,946	-	-	-	-	-	52,946
Warrants issued for services in October 2007, vested during 2007, valued at \$0.61/share	-	-	61,449	-	-	-	-	-	61,449
Warrants issued for services in October 2007, vested during 2007, valued at \$0.78/share	-	-	52,292	-	-	-	-	-	52,292
Warrants issued for services in December 2007, vested during 2007, valued at \$0.55/share	-	-	1,159	-	-	-	-	-	1,159
Options issued for services in February 2006, vested during 2007, valued at	-	-	17,589	-	-	-	-	-	17,589

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\$1.01/share Options issued for services in February 2006, vested during 2007, valued at \$1.09/share	-	-	43,757	-	-	-	-	-	43,757
Options issued for services in November 2007, vested during 2007, valued at \$1.09/share	-	-	41,653	-	-	-	-	-	41,653
Warrants issued for future services in April 2007, vested during 2007, valued at \$0.70/share	-	-	348,000	-	-	-	-	-	348,000
Deferred charges for common stock issued for future services in March 2007, valued at \$0.58/share	-	-	-	-	(928,000)	-	-	-	(928,000)
Amortization of deferred charges	-	-	-	-	773,333	-	-	-	773,333
Unrealized gain (loss) on securities	-	-	-	-	-	(32,610)	-	-	(32,610)
Net loss for the year ending December 31, 2007	-	-	-	-	-	-	-	(4,223,449)	(4,223,449)
BALANCE AT DECEMBER 31, 2007	33,690,075	33,690	10,449,763	-	(154,667)	(58,610)	(15,827)	(9,601,169)	653,180

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Common stock issued in private placement during 2008 at \$0.60/share	690,001	690	413,310	-	-	-	-	-	414,000
Common stock issued for services in March 2008, valued at \$0.75/share	100,000	100	74,900	-	-	-	-	-	75,000
Common stock issued for services in August 2008, valued at \$1.80/share	200,000	200	359,800	-	-	-	-	-	360,000
Exercise of warrants at \$0.25/share	320,000	320	79,680	-	-	-	-	-	80,000
Exercise of warrants at \$0.25/share, pursuant to November 2008 adjusted stock offering	641,080	641	159,629	-	-	-	-	-	160,270
Exercise of warrants at \$0.50/share	270,000	270	134,730	-	-	-	-	-	135,000
Warrants issued for services in September 2005, vested during 2008, valued at \$1.45/share	-	-	27,014	-	-	-	-	-	27,014
Warrants issued for services in March 2007, vested during 2008, valued at \$0.63/share	-	-	10,885	-	-	-	-	-	10,885
Warrants issued for services in April 2007, vested during	-	-	121,713	-	-	-	-	-	121,713

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2008, valued at \$0.69/share Warrants issued for services in April 2007, vested during 2008, valued at \$0.63/share	-	-	48,738	-	-	-	-	-	48,738
Warrants issued for services in May 2007, vested during 2008, valued at \$0.56/share	-	-	31,444	-	-	-	-	-	31,444
Warrants issued for services in December 2007, vested during 2008, valued at \$0.55/share	-	-	12,487	-	-	-	-	-	12,487
Options issued for services in November 2007, vested during 2008, valued at \$0.60/share	-	-	286,803	-	-	-	-	-	286,803
Options issued for services in January 2008, vested during 2008, valued at \$0.60/share	-	-	30,750	-	-	-	-	-	30,750
Options issued for services in July 2008, vested during 2008, valued at \$1.48/share	-	-	114,519	-	-	-	-	-	114,519
Options issued for services in August 2008, vested during	-	-	525,263	-	-	-	-	-	525,263

2008, valued at \$1.36/share Options issued for services in November 2008, vested during 2008, valued at \$0.50/share	-	-	6,439	-	-	-	-	-	6,439
Warrants issued for future services in March 2008, vested through September 2008, valued at \$0.83/share	-	-	332,000	-	(332,000)				