

Lightwave Logic, Inc.  
Form 10-Q  
August 14, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended June 30, 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  
(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

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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 August 14, 2013 was 52,046,797.

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PART I – FINANCIAL INFORMATION

Item 1            Financial Information

LIGHTWAVE LOGIC, INC.  
(A Development Stage Company)

FINANCIAL STATEMENTS

JUNE 30, 2013

(UNAUDITED)

LIGHTWAVE LOGIC, INC.  
(A Development Stage Company)

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LIGHTWAVE LOGIC, INC.  
(A Development Stage Company)  
BALANCE SHEETS

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,259,183	\$ 2,936,879
Prepaid expenses	166,768	89,975
	3,425,951	3,026,854
<b>PROPERTY AND EQUIPMENT - NET</b>	<b>348,614</b>	<b>300,994</b>
<b>OTHER ASSETS</b>		
Intangible assets - net	507,588	488,526
<b>TOTAL ASSETS</b>	<b>\$ 4,282,153</b>	<b>\$ 3,816,374</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 115,099	\$ 96,384
Accounts payable and accrued expenses- related parties	85,349	55,606
Accrued expenses	10,055	3,338
<b>TOTAL LIABILITIES</b>	<b>210,503</b>	<b>155,328</b>
<b>STOCKHOLDERS' EQUITY</b>		
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 52,046,797 and 50,160,758 issued and outstanding at June 30, 2013 and December 31, 2012	52,047	50,161
Additional paid-in-capital	34,523,103	32,042,751
Accumulated deficit	(15,827 )	(15,827 )
Deficit accumulated during development stage	(30,487,673 )	(28,416,039 )
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>4,071,650</b>	<b>3,661,046</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 4,282,153</b>	<b>\$ 3,816,374</b>

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS FOR THE THREE MONTHS AND SIX MONTHS ENDING JUNE 30, 2013  
AND 2012 AND FOR THE PERIOD  
JANUARY 1, 2004 (INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30, 2013  
(UNAUDITED)

	Cumulative Since Inception	For the Three Months Ending June 30, 2013	For the Three Months Ending June 30, 2012	For the Six Months Ending June 30, 2013	For the Six Months Ending June 30, 2012
NET SALES	\$3,200	\$ -	\$ -	\$ -	\$ -
<b>COST AND EXPENSE</b>					
Research and development	14,140,686	531,116	455,253	986,498	927,662
General and administrative	15,802,571	433,386	553,860	881,004	851,050
	29,943,257	964,502	1,009,113	1,867,502	1,778,712
LOSS FROM OPERATIONS	(29,940,057)	(964,502 )	(1,009,113 )	(1,867,502 )	(1,778,712 )
<b>OTHER INCOME (EXPENSE)</b>					
Interest income	31,187	62	124	141	322
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	(537,402 )	(184,723 )	(18,615 )	(204,273 )	(120,560 )
NET LOSS	\$(30,487,673)	\$(1,149,163 )	\$(1,027,604 )	\$(2,071,634 )	\$(1,898,950 )
Basic and Diluted Loss per Share		\$ (0.02 )	\$ (0.02 )	\$ (0.04 )	\$ (0.04 )
Basic and Diluted Weighted Average Number of Shares		51,725,639	49,055,806	51,097,111	47,893,907

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  
JUNE 30, 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
Common stock issued at merger	2,000,000	2,000	(2,000 )	-	-	-	-	-	-
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



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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
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	-	-	15,900	-	-	-	-	-	15,900

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\$0.53/share									
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)
<b>BALANCE AT DECEMBER 31, 2005</b>	<b>26,253,750</b>	<b>26,254</b>	<b>3,590,407</b>	<b>(6,500)</b>	<b>(318,545)</b>	<b>-</b>	<b>(15,827)</b>	<b>(2,443,911)</b>	<b>831,878</b>
Common stock issued in private placement during 2006 at \$0.50/share	850,000	850	424,150	-	-	-	-	-	425,000
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

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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 charges	-	-	-	-	318,545	-	-	-	318,545
Unrealized gain (loss) on securities	-	-	-	-	-	(26,000)	-	-	(26,000)
Net loss for the year ending December 31, 2006	-	-	-	-	-	-	-	(2,933,809)	(2,933,809)
<b>BALANCE AT DECEMBER</b>	<b>27,888,750</b>	<b>27,889</b>	<b>\$5,966,430</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(26,000)</b>	<b>\$(15,827)</b>	<b>\$(5,377,720)</b>	<b>\$574,772</b>

31, 2006

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  
JUNE 30, 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
<b>BALANCE AT DECEMBER 31, 2006</b>	27,888,750	27,889	\$5,966,430	\$-	\$-	\$(26,000)	\$(15,827)	\$(5,377,720 )	\$574,770
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	-	-	-	-	-	1,060,514
Common stock subscription rescinded during 2007 at \$0.50/share	(400,000 )	(400 )	(199,600 )	-	-	-	-	-	(200,000 )
Common stock issued for future services in February 2007, valued at \$0.70/share	151,785	152	106,098	-	-	-	-	-	106,250
Common stock issued for future services in March 2007, valued at \$0.58/share	1,000,000 100,000	1,000 100	579,000 34,900	- -	- -	- -	- -	- -	580,000 35,000

Common stock issued for services and settlement for accounts payable in April 2007, valued at \$0.35/share									
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 at \$0.63/share	-	-	52,180	-	-	-	-	-	52,180
Warrants issued for services in April 2007, vested during 2007, valued at \$0.69/share	-	-	293,476	-	-	-	-	-	293,476
Warrants issued for	-	-	140,490	-	-	-	-	-	140,490

services in April 2007, vested during 2007, valued at \$0.63/share									
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 \$1.01/share	-	-	17,589	-	-	-	-	-	17,589
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,	-	-	41,653	-	-	-	-	-	41,653

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valued at \$0.60/share										
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 )
<b>BALANCE AT DECEMBER 31, 2007</b>	<b>33,690,075</b>	<b>33,690</b>	<b>10,449,763</b>	<b>-</b>	<b>(154,667)</b>	<b>(58,610)</b>	<b>(15,827)</b>	<b>(9,601,169 )</b>	<b>-</b>	<b>653,180</b>
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
	320,000	320	79,680	-	-	-	-	-	-	80,000



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Exercise of warrants at \$0.25/share									
Exercise of warrants at \$0.25/share, pursuant to November 2008 adjusted stock offering	641,080	641	159,629	-					160,27
Exercise of warrants at \$0.50/share	270,000	270	134,730	-	-	-	-	-	135,00
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 2008, valued at \$0.69/share	-	-	121,713	-	-	-	-	-	121,71
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	-	-	12,487	-	-	-	-	-	12,487

services in December 2007, vested during 2008, valued at \$0.55/share									
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 2008, valued at \$1.36/share	-	-	525,263	-	-	-	-	-	525,263
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)	-	-	-	-
Warrants issued for services in May 2008, vested through	-	-	976,193	-	-	-	-	-	976,193

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September 2008, valued at \$1.63/share									
Amortization of deferred charges	-	-	-	-	431,337	-	-	-	431,337
Receivable for the issuance of common stock	-	-	-	(12,500)	-	-	-	-	(12,500)
Realized loss reclassification	-	-	-	-	-	58,610	-	-	58,610
Net loss for the year ending December 31, 2008	-	-	-	-	-	-	-	(4,340,607 )	(4,340,607 )
<b>BALANCE AT DECEMBER</b>									
31, 2008	35,911,156	\$35,911	\$14,196,060	\$(12,500)	\$(55,330 )	\$-	\$(15,827)	\$(13,941,776)	\$206,530

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  
JUNE 30, 2013 (CONTINUED)  
(UNAUDITED)

	Number of Shares	Common Stock	Paid-in Capital	Subscription Receivable/ Receivable for Issuance of Common Stock	Deferred Charges	Loss Accumulated on Securities Deficit	Unrealized Loss	Deficit Accumulated During Development Stage	Total
<b>BALANCE AT DECEMBER 31, 2008</b>	35,911,156	\$35,911	\$14,196,060	\$(12,500)	\$(55,330)	\$-	\$(15,827)	\$(13,941,776)	\$206,538
Rights to purchase shares issued in January 2009, vested during 2009, valued at \$0.33/share	-	-	132,058	-	-	-	-	-	132,058
Common stock issued for services in January 2009, valued at \$0.58/share	100,000	100	57,900	-	-	-	-	-	58,000
Common stock issued for services & settlement for accounts payable January 2009 valued at \$0.25/share	100,000	100	24,900	-	-	-	-	-	25,000
Exercise of purchase right agreement in January 2009 at \$0.25/share	180,550	181	44,957	-	-	-	-	-	45,138
	1,279,336	1,279	318,555	-	-	-	-	-	319,834

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Exercise of warrants at \$0.25/share, pursuant to November 2008 adjusted stock offering									
Exercise of warrants at \$0.001/share	400,000	400	-	-	-	-	-	-	400
Exercise of warrants at \$1.00/share	355,000	355	354,645	-	-	-	-	-	355,000
Options issued for services in November 2007, vested during 2009, valued at \$0.60/share	-	-	199,234	-	-	-	-	-	199,234
Options issued for services in January 2008, vested during 2009, valued at \$0.60/share	-	-	13,583	-	-	-	-	-	13,583
Options issued for services in July 2008, vested during 2009, valued at \$1.48/share	-	-	67,838	-	-	-	-	-	67,838
Options issued for services in August 2008, vested during 2009, valued at \$1.36/share	-	-	623,246	-	-	-	-	-	623,246
Options issued for services in November 2008, vested during 2009, valued at \$0.50/share	-	-	61,346	-	-	-	-	-	61,346
	-	-	13,136	-	-	-	-	-	13,136

Options  
issued for  
services in  
January 2009,  
vested during  
2009, valued  
at \$0.53/share

Options  
issued for  
services in  
February  
2009, vested  
during 2009,  
valued at  
\$0.38/share

-	-	9,583	-	-	-	-	-	9,583
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Options  
issued for  
services in  
June 2009,  
vested during  
2009, valued  
at \$0.85/share

-	-	21,085	-	-	-	-	-	21,085
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Warrants  
issued for  
services in  
June 2009,  
vested during  
2009, valued  
at \$0.85/share

-	-	177,881	-	-	-	-	-	
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