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Neuralstem, Inc.
Form 10-Q
August 14, 2009

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2009

Or

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 000-1357459

NEURALSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction of
incorporation or organization

52-2007292
(I.R.S. Employer
Identification No.)

9700 Great Seneca Highway
Rockville, MD
(Address of principal executive offices)

20850

(Zip Code)

Registrant's telephone number, including area code (301)-366-4841

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a small reporting company) Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No x

As of July 27 2009 there were 34,551,300 shares of common stock, \$.01 par value, issued and outstanding.

SUBSEQUENT EVENTS

On June 4, 2009, we received notification from the NYSE AMEX that we were not in compliance with the continued listing requirements contained in Section 1003(i) of the NYSE AMEX company guide and that our common stock may be delisted. In order to maintain our listing, we were required to submit a plan detailing how we intend to regain compliance. On July 6, 2009, we submitted our plan. If the NYSE AMEX does not accept our plan, our common stock will be delisted. In the event of delisting from the NYSE AMEX, our common stock may commence trading on the over-the-counter bulletin board or on the "pink sheets." As of August 14, 2009, we have not received any additional correspondence from the NYSE AMEX. Please refer to the Part II section 1A of this report entitled "Risk Factors" for a further discussion of the implication of delisting.

Neuralstem, Inc.

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ADVISEMENT

We urge you to read this entire Quarterly Report on Form 10-Q, including the "Risk Factors" section, the financial statements, and related notes included herein. As used in this Quarterly Report, unless the context otherwise requires, the words "we," "us," "our," "the Company," "Neuralstem" and "Registrant" refer to Neuralstem, Inc. Also, any reference to "common shares," "Common Stock," "common stock" or "Common Shares" refers to our \$.01 par value common stock. The information contained herein is current as of the date of this Quarterly Report (June 30, 2009), unless another date is specified.

We prepare our interim financial statements in accordance with United States generally accepted accounting principles ("GAAP"). Our financials and results of operation for the three and six month period ended June 30, 2009 are not necessarily indicative of our prospective financial condition and results of operations for the pending full fiscal year ending December 31, 2009. The interim financial statements presented in this Quarterly Report as well as other information relating to our company contained in this Quarterly Report should be read in conjunction and together with the reports, statements and information filed by us with the United States Securities and Exchange Commission ("SEC").

FORWARD LOOKING STATEMENTS

In this Quarterly Report we make a number of statements, referred to as "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), which are intended to convey our expectations or predictions regarding the occurrence of possible future events or the existence of trends and factors that may impact our future plans and operating results. These forward-looking statements are derived, in part, from various assumptions and analyses we have made in the context of our current business plan and information currently available to use and in light of our experience and perceptions of historical trends, current conditions and expected future developments and other factors we believe are appropriate in the circumstances. You can generally identify forward looking statements through words and phrases such as "believe," "expect," "seek," "estimate," "anticipate," "intend," "plan," "budget," "project," "may likely result," "may be," "may" or other similar expressions.

When reading any forward-looking statement you should remain mindful that actual results or developments may vary substantially from those expected as expressed in or implied by such statement for a number of reasons or factors, including but not limited to:

- the success of our research and development activities, the development of a viable commercial production, and the speed with which regulatory authorizations and product launches may be achieved;
- whether or not a market for our proposed product develops and, if a market develops, the rate at which it develops;
- our ability to successfully sell our products once developed;
- our ability to attract and retain qualified personnel to implement our business plan and corporate strategies;
- our ability to develop sales, marketing, and distribution capabilities;
- our ability to obtain reimbursement from third party payers for the products that we intend to sell;
- our ability to fund our short-term and long-term financing needs;

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- changes in our business plan and corporate strategies; and
- other risks and uncertainties discussed in greater detail in the section of this report captioned “Risk Factors”

Each forward-looking statement should be read in context with, and in understanding of, the various other disclosures concerning our company and our business made elsewhere in this report as well as our public filings with the SEC. You should not place undue reliance on any forward-looking statement as a prediction of actual results or developments. We are not obligated to update or revise any forward-looking statements contained in this report or any other filing to reflect new events or circumstances unless and to the extent required by applicable law.

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Neuralstem, Inc.

Balance Sheets

	June 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,218,321	\$ 4,903,279
Prepaid expenses	60,812	136,287
Total current assets	3,279,133	5,039,566
Property and equipment, net	144,917	163,930
Intangible assets, net	249,132	212,265
Other assets	58,472	52,972
Total assets	\$ 3,731,654	\$ 5,468,733
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES		
Accounts payable, accrued expenses and salaries	\$ 1,901,789	\$ 1,265,488
LONG-TERM LIABILITIES		
Fair value of warrant obligations	3,236,634	-
Total liabilities	5,138,423	1,265,488
STOCKHOLDERS' (DEFICIT) EQUITY		