Advaxis, Inc.
Form 424B3
March 26, 2013

Filed Pursuant to Rule 424(b)(3) and Rule 424(c)
Registration No. 333-184929

PROSPECTUS SUPPLEMENT NO. 4
(To Prospectus dated December 13, 2012)

ADVAXIS, INC.

This prospectus supplement No. 4 (the "Supplement") supplements the prospectus dated December 13, 2012, as supplemented to date (the "Final Prospectus"), which forms a part of our Registration Statement on Form S-1 (Registration Statement No. 333-184929). The Final Prospectus and this Supplement relate to the disposition from time to time of up to 39,256,564 shares of our common stock including (i) 35,723,231 shares of our common stock issuable upon conversion of the May 2012 Notes issued to certain accredited investors, including Thomas A. Moore, our Chairman and Chief Executive Officer, and Daniel J. O'Connor, our Senior Vice President, Chief Business Development and Legal Officer, on May 18, 2012, and (ii) 3,533,333 shares of our common stock underlying the May 2012 Warrants issued to the same accredited investors, including Messrs. Moore and O'Connor, on May 18, 2012, which are held or may be held by the selling stockholders named in the Final Prospectus. We are not selling any common stock under this prospectus and will not receive any of the proceeds from the sale of shares by the selling stockholders. To the extent any of the May 2012 Warrants are exercised for cash, if at all, we will receive the exercise price for those warrants.

This Supplement should be read in conjunction with the Final Prospectus, which is to be delivered with this Supplement. This Supplement updates, amends and supplements the information included or incorporated by reference in the Final Prospectus. If there is any inconsistency between the information in the Final Prospectus and this Supplement, you should rely on the information in this Supplement.

This Supplement is not complete without, and may not be delivered or utilized except in connection with, the Final Prospectus, including any amendments or supplements to it.

Quarterly Report on Form 10-Q and Amendment No. 1 to Quarterly Report on Form 10-Q/A

On March 25, 2013, we filed a Quarterly Report on Form 10-Q with the Securities and Exchange Commission. The text of such Form 10-Q is attached hereto and incorporated by reference herein. On March 25, 2013, we filed

Amendment No. 1 to our Quarterly Report on Form 10-Q/A with the Securities and Exchange Commission. The text of such Form 10-Q/A is attached hereto and incorporated by reference herein.

Our common stock is quoted on the Over-The-Counter Bulletin Board, or OTC Bulletin Board, under the symbol ADXS.OB. On March 25, 2013, the last reported sale price per share for our common stock as reported by the OTC Bulletin Board was $0.088.

Investing in our common stock involves a high degree of risk. We urge you to carefully consider the ''Risk Factors'' beginning on page 2 of the Final Prospectus and "Part I - Item 1A Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2012.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 4 is March 26, 2013.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2013

¨ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from to ________________ to ________________

Commission file number 000-28489

ADVAXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**02-0563870**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

305 College Road East, Princeton, NJ 08540

(Address of principal executive offices)

(609) 452-9813

(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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 x 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 (Section 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 x 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 ¨ 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

The number of shares of the registrant's common stock, $0.001 par value, outstanding as of March 19, 2013 was 536,492,002.

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All other items called for by the instructions to Form 10-Q have been omitted because the items are not applicable or the relevant information is not material.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

ADVAXIS, INC.

(A Development Stage Company)

BALANCE SHEETS

	January 31, 2013 (unaudited)	October 31, 2012
ASSETS		
Current Assets:		
Cash	$100	$232
Prepaid Expenses	11,671	25,798
Other Current Assets	83,182	8,182
Deferred Expenses - current	874,187	860,293
Total Current Assets	969,140	894,505
Deferred expenses – long term	253,170	342,007
Property and Equipment (net of accumulated depreciation)	73,476	78,068
Intangible Assets (net of accumulated amortization)	2,418,762	2,413,755
Deferred Financing Cost (net of accumulated amortization)	37,233	49,024
Other Assets	38,438	38,438
TOTAL ASSETS	$3,790,219	$3,815,797
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	$3,883,771	$5,155,797
Accrued expenses	1,050,841	1,367,412
Short term convertible notes and fair value of embedded derivative	2,190,205	2,089,099
Notes Payable – Officer	490,595	477,274
Notes payable –other	250,000	250,000
Total Current Liabilities	7,865,412	9,339,582
Deferred Rent	-	4,803
Long-term Convertible Note (less unamortized OID of $40,566)	403,438	-
Common Stock Warrant Liability	3,384,725	434,136
Total Liabilities	11,653,575	9,778,521

Shareholders' Deficiency:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; Series B Preferred Stock; issued and outstanding 740 at January 31, 2013 and at October 31, 2012. Liquidation preference of $9,907,570	-	-
Common Stock - $0.001 par value; authorized 1,000,000,000 shares, issued and outstanding 493,415,628 at January 31, 2013 and 394,804,165 at October 31, 2012.	493,415	394,804
Additional Paid-In Capital	55,487,126	51,727,921
Promissory Note Receivable	(10,534,424)	(10,484,022)
Deficit accumulated during the development stage	(53,309,473)	(47,601,427)
Total Shareholders' Deficiency	(7,863,356)	(5,962,724)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	$3,790,219	$3,815,797

The accompanying notes are an integral part of these financial statements.

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ADVAXIS, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended January 31,		Period from March 1, 2002 (Inception) to January 31,
	2013	2012	2013
Revenue	$ -	-	1,863,343
Operating Expenses			
Research and Development Expenses	979,103	2,212,909	30,781,937
General and Administrative Expenses	1,201,951	1,031,392	28,070,461
Total Operating expenses	2,181,054	3,244,301	58,852,398
Loss from Operations	(2,181,054)	(3,244,301)	(56,989,055)
Other Income (expense):			
Interest expense	(361,176)	(1,616,882)	(15,347,041)
Other Income (expense)	(19,898)	6,744	239,811
(Loss) Gain on note retirement	152,491	(697,642)	(840,451)
Net changes in fair value of common stock warrant liability and embedded derivative liability	(4,023,599)	839,750	17,018,697
Net Loss before benefit for income taxes	(6,433,236)	(4,712,331)	(55,918,039)
Income tax benefit	725,190	346,787	2,652,450
Net Loss	(5,708,046)	(4,365,544)	(53,265,589)
Dividends attributable to preferred shares	185,000	185,000	2,507,570
Net Loss applicable to Common Stock	$ (5,893,046)	$ (4,550,544)	$ (55,773,159)
Net Loss per share, basic and diluted	$ (.01)	$ (.02)	
Weighted average number of shares outstanding, basic and diluted	445,628,988	262,831,912	

The accompanying notes are an integral part of these financial statements.

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ADVAXIS, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended January 31, 2013	Three Months Ended January 31, 2012	Period from March 1, 2002 (Inception) to January 31, 2013
OPERATING ACTIVITIES			
Net loss	$(5,708,046)	$(4,365,544)	$(53,265,589)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash charges to consultants and employees for options and stock	369,923	300,184	5,349,969
Amortization of deferred financing costs	15,291	14,825	354,115
Amortization of discount on convertible promissory notes	7,979	532,559	2,718,356
Impairment of intangible assets	-	-	26,087
Non-cash interest expense	328,187	1,060,699	11,822,199
(Gain) Loss on change in value of warrants and embedded derivative	4,023,599	(839,750)	(17,018,697)
Warrant Expense	3,274	-	767,634
Settlement Expense	131,965	-	396,965
Employee Stock Purchase Plan	5,481	-	23,782
Value of penalty shares issued	-	-	149,276
Depreciation expense	4,592	-	214,040
Amortization expense of intangibles	38,703	35,409	781,345
Write off of intangible assets	-	-	33,211
Interest Income	-	-	267
Loss (Gain) on note retirement	(152,491)	697,642	840,451
Changes in operating assets and liabilities :		-	-
Decrease (Increase) in prepaid expenses	14,128	23,389	(11,669)
(Increase) in other current assets	(75,000)	(80,961)	(83,182)
(Increase) in other assets	-	-	(132,271)
(Increase) decrease in deferred expenses	74,943	28,455	(619,629)
Increase (decrease) in accounts payable and accrued expenses	(225,360)	470,238	12,278,900
(Decrease) in deferred rent	(4,803)	(14,410)	-
Increase in interest payable	9,530	8,257	2,232
Net cash used in operating activities	(1,138,105)	(2,129,008)	(35,372,208)
INVESTING ACTIVITIES			
Cash paid on acquisition of Great Expectations	-	-	(44,940)
Purchase of property and equipment	-	-	(241,937)
Cost of intangible assets	(43,709)	(126,375)	(3,264,354)
Net cash used in Investing Activities	(43,709)	(126,375)	(3,551,231)
FINANCING ACTIVITIES			
Proceeds from convertible notes	753,500	1,451,963	18,612,900

Repayment of convertible notes	-	(52,941)	(1,649,030)
Payment of deferred offering expenses	(3,500)	(28,500)	(117,500)
Cash paid for deferred financing costs	-	-	(584,493
Proceeds from notes payable	-	-	250,000
Proceeds from (Repayment of) Officer Loan	3,800	(35,000)	318,285
Net proceeds from issuance of Preferred Stock	-	-	8,610,499
Payment on cancellation of warrants	-	-	(600,000)
Proceeds from exercise of warrants	-	411,765	1,666,766
Net proceeds of issuance of common stock	427,882	-	12,416,112
Net cash provided by Financing Activities	1,181,682	1,747,287	38,923,539
Net increase (decrease) in cash	(132)	(508,096)	100
Cash at beginning of period	232	1,096,538	-
Cash at end of period	$100	$588,442	$100

The accompanying notes are an integral part of these financial statements.

Supplemental Disclosures of Cash Flow Information

	Three months ended January 31,		Period from March 1, 2002 (Inception) to January 31,
	2013	2012	2013
Cash paid for Interest	$ 188	$ 44,292	$ 788,205
Cash paid for Taxes	-	2,080	16,453

Supplemental Schedule of Non-cash Investing and Financing Activities

	Three months ended January 31,		**Period from March 1, 2002 (Inception) to January 31,**
	2013	2012	2013
Equipment acquired under notes payable	$-	$-	$ 45,580
Common stock issued to Founders	$-	$-	$ 40
Notes payable and accrued interest converted to Preferred Stock	$-	$-	$ 15,969
Stock dividend on Preferred Stock	$-	$-	$ 43,884
Accounts Payable from consultants settled with Common Stock	$-	$-	$ 51,978
Notes payable and embedded derivative liabilities converted to Common Stock	$765,599	$-	$ 9,407,969
Intangible assets acquired with notes payable	$-	$-	$ 360,000
Intangible assets acquired with common stock	$-	$-	$ 70,000
Debt discount in connection with recording the original value of the embedded derivative liability	$	$200,569	$ 6,473,385
Allocation of the original secured convertible debentures to warrants	$-	$-	$ 214,950
Allocation of the warrants on convertible notes as debt discount	$	$651,846	$ 2,710,406
Cancellation of Note Receivable in connection with Preferred Stock Redemption	$-	$(3,051,000)	$ (3,051,000)
Note receivable in connection with exercise of warrants	$-	$1,795,500	$ 9,998,210
Warrants Issued in connection with issuance of Common Stock	$-	$-	$ 1,505,550
Warrants Issued in connection with issuance of Preferred Stock	$-	$-	$ 3,587,625

The accompanying notes are an integral part of these financial statements.

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ADVAXIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Advaxis Inc. (the "Company") is a biotechnology company developing the next generation of immunotherapies for cancer and infectious diseases. The Company's platform technology is designed to generate a comprehensive immune response by serving as its own adjuvant, directing antigen presentation, increasing tumor infiltrating killer T-cells, and decreasing Tregs/MDSCs in the tumor. Today, the Company has over fifteen distinct constructs in various stages of development, directly developed by the Company and through strategic collaborations.

Since the Company's inception in 2002, it has focused its initial development efforts upon immunotherapies targeting cervical cancer, its predecessor condition, cervical intraepithelial neoplasia, head and neck cancer, breast cancer, prostate cancer, and other cancers and infectious diseases. Although no products have been commercialized to date, research and development and investment continue to be placed behind the pipeline and the advancement of this technology. Pipeline development entails risk and expense. It is anticipated that ongoing operational costs for the Company will continue to increase significantly due to several ongoing clinical trials in this fiscal year.

Liquidity and Financial Condition

The Company's products are being developed and have not generated significant revenues. As a result, the Company has suffered recurring losses and its liabilities exceed its assets. These losses are expected to continue for an extended period of time. The Company intends to continue raising funds through the sale of both debt and equity in order to continue funding ongoing clinical trials. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. There is a working capital deficiency, a shareholders' deficiency and recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amount and classification of recorded assets and liabilities should the Company be unable to continue operations. Management's plans are to continue to raise additional funds through the sales of debt or equity securities. Subsequent to January 31, 2013, the Company raised an aggregate of approximately $1.7 million in additional capital through the sale of equity securities and exercise of warrants.

The Company recognizes it will need to raise additional capital over and above the amount raised subsequent to January 31, 2013 in order to execute its business plan. There is no assurance that additional financing will be available when needed or that management will be able to obtain financing on terms acceptable to the Company or whether the Company will become profitable and generate positive operating cash flow. If the Company is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables and reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful.

Accordingly, the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily represent realizable or settlement values. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis of Presentation

The accompanying unaudited interim financial statements include all adjustments (consisting only of those of a normal recurring nature) necessary for a fair statement of the results of the interim period. The October 31, 2012 balance sheet is derived from the audited balance sheet included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2012 (the "Form 10-K"). These interim financial statements should be read in conjunction with the Company's financial statements and notes for the fiscal year ended October 31, 2012 included in the Form 10-K. The Company believes these financial statements reflect all adjustments and reclassifications that are necessary for a fair presentation of its financial position and results of operations for the periods presented.

Estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) involves the use of estimates and assumptions that affect the recorded amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ substantially from these estimates. Significant estimates include the fair value and recoverability of the carrying value of intangible assets (patents and licenses), the fair value of options, the fair value of embedded conversion features, warrants and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue from license fees and grants is recognized when the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) services have been rendered, (iii) the contract price is fixed or determinable, and (iv) collection is reasonably assured. In licensing arrangements, delivery does not occur for revenue recognition purposes until the license term begins. Nonrefundable upfront fees received in exchange for products delivered or services performed that do not represent the culmination of a separate earnings process will be deferred and recognized over the term of the agreement using the straight line method or another method if it better represents the timing and pattern of performance. Since its inception, all of the Company's revenues have been from multiple research grants. For the three months ended January 31, 2013 and 2012, the Company did not receive any revenue from such grants.

For revenue contracts that contain multiple elements, revenue arrangements with multiple deliverables are divided into separate units of accounting if the delivered item has value to the customer on a standalone basis and there is objective and reliable evidence of the fair value of the undelivered item.

Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of January 31, 2013 and 2012, the Company did not have any cash equivalents.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts (checking) that at times exceed federally insured limits.

Net Loss per Share

Basic net income or loss per common share is computed by dividing net income or loss available to common shareholders by the weighted average number of common shares outstanding during the periods. Diluted earnings per share give effect to dilutive options, warrants, convertible debt and other potential common stock outstanding during the period. Therefore, in the case of a net loss the impact of the potential common stock resulting from warrants, outstanding stock options and convertible debt are not included in the computation of diluted loss per share, as the effect would be anti-dilutive. In the case of net income the impact of the potential common stock resulting from these instruments that have intrinsic value are included in the diluted earnings per share. The table sets forth the number of potential shares of common stock that have been excluded from diluted net loss per share.

	As of January 31,	
	2013	2012
Warrants	125,154,408	140,976,812
Stock Options	44,287,424	45,057,424
Convertible Debt (using the if-converted method)	48,820,627	46,155,102
Total	218,262,459	232,189,338

Stock Based Compensation

The Company has an equity plan which allows for the granting of stock options to its employees, directors and consultants for a fixed number of shares with an exercise price equal to the fair value of the shares at date of grant. The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period.

Stock-based compensation for directors is reflected in general and administrative expenses in the statements of operations. Stock-based compensation for employees and consultants could be reflected in research and development expenses or general and administrative expenses in the statements of operations.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, accounts payable and accrued expenses approximated fair value as of the balance sheet date presented, because of the relatively short maturity dates on these instruments. The carrying amounts of the financing arrangements issued approximate fair value as of the balance sheet date presented, because interest rates on these instruments approximate market interest rates after consideration of stated interest rates, anti-dilution protection and associated warrants.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company used the Black Scholes valuation model which approximated the binomial lattice options pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the instrument could be required within 12 months of the balance sheet date.

Debt Discount and Amortization of Debt Discount

Debt discount represents the fair value of embedded conversion options of various convertible debt instruments and attached convertible equity instruments issued in connection with debt instruments. The debt discount is amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the straight-line method which approximates the interest method. The amortization of debt discount is included as a component of other expenses in the accompanying statements of operations.

Recent Accounting Pronouncements

In July 2012, the FASB issued ASU 2012-02, “Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment." This ASU simplifies how entities test indefinite-lived intangible assets for impairment which improve consistency in impairment testing requirements among long-lived asset categories. These amended standards permit an assessment of qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value. For assets in which this assessment concludes it is more likely than not that the fair value is more than its carrying value, these amended standards eliminate the requirement to perform quantitative impairment testing as outlined in the previously issued standards. The guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, early adoption is permitted. The adoption of this standard did not have a material impact on the Company’s financial position and results of operations.

In February 2013, the FASB issued ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Other Comprehensive Income". ASU 2013-02 finalized the reporting for reclassifications out of accumulated other comprehensive income, which was previously deferred, as discussed below. The amendments do not change the current requirements for reporting net income or other comprehensive income in financial statements. However, they do require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. An entity is also required to present on the face of the financials where net income is reported or in the footnotes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income, but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. Other amounts need only be cross-referenced to other disclosures required that provide additional detail of these amounts. The amendments in this update are effective for reporting periods beginning after December 15, 2012. Early adoption is permitted.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, “Income Taxes.” Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity’s financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740-10-30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740-10-40 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company will classify as income tax expense any interest and penalties. The Company has no material uncertain tax positions for any of the reporting periods presented. The Company files tax returns in U.S. federal and state jurisdictions, including New Jersey, and is subject to audit by tax authorities beginning with the year ended October 31, 2009.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	January 31, 2013 (Unaudited)	October 31, 2012
Laboratory Equipment	$ 287,518	$ 287,518
Accumulated Depreciation	(214,042)	(209,450)
Net Property and Equipment	$ 73,476	$ 78,068

Depreciation expense for the three months ended January 31, 2013 and 2012 and the period from March 1, 2002 (inception) to January 31, 2013 was $4,592, $0 and $214,042, respectively.

4. INTANGIBLE ASSETS

Under the Penn license agreements, the Company is billed actual patent expenses as they are passed through from Penn and are billed directly from our patent attorney. The following is a summary of intangible assets as of the end of the following fiscal periods:

	January 31, 2013 (Unaudited)	October 31, 2012
License	$ 651,992	$ 651,992
Patents	2,466,119	2,422,409
Total intangibles	3,118,111	3,074,401
Accumulated Amortization	(699,349)	(660,646)
Intangible Assets	$ 2,418,762	$ 2,413,755

The expirations of the existing patents range from 2014 to 2023 but the expirations can be extended based on market approval if granted and/or based on existing laws and regulations. Capitalized costs associated with patent applications that are abandoned without future value are charged to expense when the determination is made not to pursue the application. No patent applications with future value were abandoned or expired and charged to expense in the three months ended January 31, 2013 or 2012. Amortization expense for licensed technology and capitalized patent cost is included in general and administrative expenses and aggregated $38,703, $35,409 and $781,345 for the three months ended January 31, 2013 and 2012 and for the period from March 1, 2002 (inception) to January 31, 2013, respectively.

Estimated amortization expense for the next five years is as follows:

Year ended October 31,	
2013	105,000
2014	140,000
2015	140,000
2016	140,000
2017	140,000

5. ACCRUED EXPENSES:

The following table represents the major components of accrued expenses:

	January 31, 2013 (Unaudited)	October 31, 2012
Salaries and other compensation	$ 604,980	$ 774,001
Clinical Trial	56,468	56,468
Vendors	77,512	77,512
Consultants	32,200	32,200
Financing costs	159,970	174,970
Legal	41,165	214,902
Interest Payable	55,046	28,859
Other	23,500	8,500
	$ 1,050,841	$ 1,367,412

6. SHORT-TERM CONVERTIBLE NOTES & FAIR VALUE OF EMBEDDED DERIVATIVE

Convertible Notes payable consist of the following:

	January 31, 2013 (Unaudited)	October 31, 2012
October 2011 Note Financing	&nb	