

SENESCO TECHNOLOGIES INC  
Form 10-Q/A  
October 31, 2008  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q / A**

(Amendment No. 1)

(Mark One)

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

For the quarterly period ended December 31, 2007

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 No. 001-31326

**SENESCO TECHNOLOGIES, INC.**

(exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**84-1368850**

(IRS Employer Identification No.)

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**303 George Street, Suite 420**

**New Brunswick, New Jersey 08901**

(Address of principal executive offices)

**(732) 296-8400**

(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 past 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Smaller reporting company  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes:

No:

As of January 31, 2008, 17,581,582 shares of the issuer's common stock, par value \$0.01 per share, were outstanding.

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SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY

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**EXPLANATORY NOTE**

This Amendment No. 1 on Form 10-Q/A amends financial statements and the footnotes of the Quarterly Report on Form 10-Q of Senesco Technologies, Inc. (the Company) for the second quarter ended December 31, 2007, as filed with the Securities and Exchange Commission on February 14, 2008 (the Quarterly Report) as the Company's financial statements for the quarterly period ended December 31, 2007 should be restated and should no longer be relied upon.

During the year ended June 30, 2008, the Company issued convertible notes and warrants. The proceeds of the convertible notes were allocated to the warrants and the beneficial conversion feature of the notes and the discount was being amortized over the term of the notes. According to EITF 98-5, paragraph 9, for convertible debt securities, any recorded discount resulting from the allocation of proceeds to the beneficial conversion feature should be recognized as interest expense using the effective yield method. The Company was providing for the amortization of the convertible debt discount on a straight-line method over the term of the convertible debt securities. The Company has reviewed its calculations of amortization of debt discount, a non-cash expense, under both the straight-line and effective yield methods and has determined that there is a material difference between the two calculations because of the change from the straight-line method to the effective yield method. The condensed consolidated financial statements have been restated for all periods presented.

For convenience and ease of reference, the Company is filing the Quarterly Report in its entirety with the applicable changes. Unless otherwise stated, all information contained in this amendment and restated 10-Q is as of February 14, 2008, the filing date of the Quarterly Report. This Form 10-Q/A does not reflect events or transactions occurring after such filing date or modify or update those disclosures in the Quarterly Report that may have been affected by events or transactions occurring subsequent to such filing date. No information in the Quarterly Report other than as set forth above is amended hereby. Currently-dated certifications from our President and Chief Executive Officer and our Chief Financial Officer have been included as exhibits to this amendment.

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**PART I. FINANCIAL INFORMATION.**

**Item 1. Financial Statements.**

Certain information and footnote disclosures required under United States generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. However, Senesco Technologies, Inc., a Delaware corporation, and its wholly owned subsidiary, Senesco, Inc., a New Jersey corporation (collectively, Senesco or the Company ), believe that the disclosures are adequate to assure that the information presented is not misleading in any material respect.

The results of operations for the interim periods presented herein are not necessarily indicative of the results to be expected for the entire fiscal year.

Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED BALANCE SHEETS

	<b>December 31, 2007 (unaudited) (restated)</b>	<b>June 30, 2007</b>
<u>ASSETS</u>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 5,135,644	\$ 408,061
Short-term investments	500,000	250,000
Prepaid expenses and other current assets	52,959	104,526
<b>Total Current Assets</b>	<b>5,688,603</b>	<b>762,587</b>
Property and equipment, net	5,444	7,526
Intangibles, net	2,896,958	2,544,447
Deferred financing costs	748,949	
Security deposit	7,187	7,187
<b>TOTAL ASSETS</b>	<b>\$ 9,347,141</b>	<b>\$ 3,321,747</b>
<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 552,026	\$ 109,258
Accrued expenses	368,570	377,359
Deferred revenue	4,167	16,667
<b>Total Current Liabilities</b>	<b>924,763</b>	<b>503,284</b>
Convertible note, net of discount	12,727	
Grant payable	99,728	99,728
Other liability	26,129	29,196
<b>TOTAL LIABILITIES</b>	<b>1,063,347</b>	<b>632,208</b>
<b>STOCKHOLDERS EQUITY:</b>		
Preferred stock, \$0.01 par value; authorized 5,000,000 shares, no shares issued		
Common stock, \$0.01 par value; authorized 100,000,000 shares, issued and outstanding 17,581,852 and 17,473,694, respectively	175,819	174,737
Capital in excess of par	35,161,399	28,136,342
Deficit accumulated during the development stage	(27,053,424)	(25,621,540)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>8,283,794</b>	<b>2,689,539</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>\$ 9,347,141</b>	<b>\$ 3,321,747</b>

See Notes to Condensed Consolidated Financial Statements.





Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	For the Three Months Ended December 31, 2007 (restated)	For the Three Months Ended December 31, 2006	For the Six Months Ended December 31, 2007 (restated)	For the Six Months Ended December 31, 2006	From Inception on July 1, 1998 through December 31, 2007 (restated)
Revenue	\$ 6,250	\$ 181,250	\$ 377,500	\$ 262,500	\$ 1,095,833
Operating Expenses:					
General and administrative	585,851	1,103,594	974,910	1,486,879	20,409,103
Research and development	392,254	239,395	745,149	548,743	8,938,318
Total Operating Expenses	978,105	1,342,989	1,720,059	2,035,622	29,347,421
Loss From Operations	(971,855)	(1,161,739)	(1,342,559)	(1,773,122)	(28,251,588)
Sale of state income tax loss, net					586,442
Other noncash income					321,259
Interest income, net	25,227	26,102	32,106	37,020	411,894
Amortization of debt discount and financing costs	(38,374)		(53,595)		(53,595)
Interest expense on convertible notes	(64,836)		(67,836)		(67,836)
Net Loss	\$ (1,049,838)	\$ (1,135,637)	\$ (1,431,884)	\$ (1,736,102)	\$ (27,053,424)
Basic and Diluted Net Loss Per Common Share	\$ (0.06)	\$ (0.07)	\$ (0.08)	\$ (0.11)	
Basic and Diluted Weighted Average Number of Common Shares Outstanding	17,474,870	17,257,791	17,474,282	16,369,220	

See Notes to Condensed Consolidated Financial Statements.

Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITYFROM INCEPTION ON JULY 1, 1998 THROUGH DECEMBER 31, 2007

(unaudited)

	Shares	Common Stock Amount	Capital in Excess of Par Value	Deficit Accumulated During the Development Stage (restated)	Total (restated)
Common stock outstanding	2,000,462	\$ 20,005	\$ (20,005)		
Contribution of capital			85,179		\$ 85,179
Issuance of common stock in reverse merger on January 22, 1999 at \$0.01 per share	3,400,000	34,000	(34,000)		
Issuance of common stock for cash on May 21, 1999 at \$2.63437 per share	759,194	7,592	1,988,390		1,995,982
Issuance of common stock for placement fees on May 21, 1999 at \$0.01 per share	53,144	531	(531)		
Issuance of common stock for cash on January 26, 2000 at \$2.867647 per share	17,436	174	49,826		50,000
Issuance of common stock for cash on January 31, 2000 at \$2.87875 per share	34,737	347	99,653		100,000
Issuance of common stock for cash on February 4, 2000 at \$2.934582 per share	85,191	852	249,148		250,000
Issuance of common stock for cash on March 15, 2000 at \$2.527875 per share	51,428	514	129,486		130,000
Issuance of common stock for cash on June 22, 2000 at \$1.50 per share	1,471,700	14,718	2,192,833		2,207,551

(continued)

See Notes to Condensed Consolidated Financial Statements.



Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITYFROM INCEPTION ON JULY 1, 1998 THROUGH DECEMBER 31, 2007

(unaudited)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Deficit Accumulated During the Development Stage (restated)	Total (restated)
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2000			\$ (260,595)		\$ (260,595)
Fair market value of options and warrants vested during the year ended June 30, 2000			1,475,927		1,475,927
Fair market value of options and warrants vesting during the year ended June 30, 2001			308,619		308,619
Issuance of common stock and warrants for cash from November 30, 2001 through April 17, 2002 at \$1.75 per unit	3,701,430	\$ 37,014	6,440,486		6,477,500
Issuance of common stock and warrants associated with bridge loan conversion on December 3, 2001	305,323	3,053	531,263		534,316
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2002			(846,444)		(846,444)
Fair market value of options and warrants vested during the year ended June 30, 2002			1,848,726		1,848,726
Fair market value of options and warrants vested during the year ended June 30, 2003			848,842		848,842
Issuance of common stock and warrants for cash from January 15, 2004 through February 12, 2004 at \$2.37 per unit	1,536,922	15,369	3,627,131		3,642,500
Allocation of proceeds to warrants			(2,099,090)		(2,099,090)

See Notes to Condensed Consolidated Financial Statements.

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(unaudited)

	Common Stock		Capital in	Deficit	
	Shares	Amount	Excess of Par Value	Accumulated During the Development Stage (restated)	Total (restated)
Reclassification of warrants			\$ 1,913,463		\$ 1,913,463
Commissions, legal and bank fees associated with issuances for the year ended June 30, 2004			(378,624)		(378,624)
Fair market value of options and warrants vested during the year ended June 30, 2004			1,826,514		1,826,514
Options and warrants exercised during the year ended June 30, 2004 at exercise prices ranging from \$1.00 - \$3.25	370,283	\$ 3,704	692,945		696,649
Issuance of common stock and warrants for cash on May 9, 2005 at \$2.11 per unit	1,595,651	15,957	3,350,872		3,366,829
Allocation of proceeds to warrants			(1,715,347)		(1,715,347)
Reclassification of warrants			1,579,715		1,579,715
Commissions, legal and bank fees associated with issuance on May 9, 2005			(428,863)		(428,863)
Options and warrants exercised during the year ended June 30, 2005 at exercise prices ranging from \$1.50 to \$3.25	84,487	844	60,281		61,125
Fair market value of options and warrants vested during the year ended June 30, 2005			974,235		974,235

(continued)

See Notes to Condensed Consolidated Financial Statements.



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(unaudited)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Deficit Accumulated During the Development Stage (restated)	Total (restated)
Fair market value of options and warrants granted and vested during the year ended June 30, 2006			\$ 677,000		\$ 677,000
Warrants exercised during the year ended June 30, 2006 at an exercise price of \$0.01	10,000	\$ 100			100
Issuance of common stock and warrants for cash on October 11, 2006 at \$1.135 per unit	1,986,306	19,863	2,229,628		2,249,491
Commissions, legal and bank fees associated with issuance on October 11, 2006			(230,483)		(230,483)
Fair market value of options and warrants vested during the year ended June 30, 2007			970,162		970,162
Warrants exercised during the year ended June 30, 2007 at an exercise price of \$0.01	10,000	100			100
Fair market value of options and warrants vested during the six months ended December 31, 2007			408,303		408,303
Allocation of proceeds from issuance of convertible notes and warrants from September 21, 2007 through December 20, 2007			6,550,000		6,550,000
Issuance of common stock on December 31, 2007 in lieu of cash payment	108,158	1,082	66,754		67,836



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Net loss					\$	(27,053,424)	(27,053,424)		
Balance at December 31, 2007	17,581,852	\$	175,819	\$	35,161,399	\$	(27,053,424)	\$	8,283,794

See Notes to Condensed Consolidated Financial Statements.

Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	For the Six Months Ended December 31,		From Inception on July 1, 1998 through December 31,
	2007 (restated)	2006	2007 (restated)
<b>Cash flows from operating activities:</b>			
Net loss	\$ (1,431,884)	\$ (1,736,102)	\$ (27,053,424)
Adjustments to reconcile net loss to net cash (used in) operating activities:			
Noncash capital contribution			85,179
Noncash conversion of accrued expenses into equity			131,250
Noncash income related to change in fair value of warrant liability			(321,259)
Issuance of common stock and warrants for interest	67,836		77,152
Issuance of stock options and warrants for services	146,189	847,000	8,944,964
Depreciation and amortization	44,042	15,595	407,883
Amortization of convertible note discount and deferred financing costs	53,594		53,594
<b>(Increase) decrease in operating assets:</b>			
Accounts receivable		(75,000)	
Prepaid expense and other current assets	51,567	74,765	(52,959)
Security deposit			(7,187)
<b>Increase (decrease) in operating liabilities:</b>			
Accounts payable	442,768	52,882	552,026
Accrued expenses	(24,656)	(88,603)	352,703
Deferred revenue	(12,500)	(12,500)	4,167
Other liability	(3,067)	(2,611)	26,129
Net cash (used in) operating activities	(666,111)	(924,574)	(16,799,782)
<b>Cash flows from investing activities:</b>			
Patent costs	(394,471)	(281,937)	(3,140,178)
Redemption (purchase) of investments, net	(250,000)	(750,000)	(500,000)
Purchase of property and equipment		(1,482)	(170,107)
Net cash (used in) investing activities	(644,471)	(1,033,419)	(3,810,285)
<b>Cash flows from financing activities:</b>			
Proceeds from grant			99,728
Proceeds from issuance of bridge notes			525,000
Proceeds from issuance and exercises of common stock and warrants		2,019,108	19,082,818
Proceeds from issuance of convertible note and warrants, net of \$450,000 paid to holder	6,550,000		6,550,000
Deferred financing costs	(511,835)		(511,835)
Net cash provided by financing activities	6,038,165	2,019,108	25,745,711
Net increase in cash and cash equivalents	4,727,583	61,115	5,135,644

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Cash and cash equivalents at beginning of period		408,061		318,473	
Cash and cash equivalents at end of period	\$	5,135,644	\$	379,588	\$ 5,135,644
Supplemental disclosure of cash flow information:					
Cash paid during the period for interest	\$		\$		\$ 22,317
Supplementa					