

Advaxis, Inc.
Form 10-K/A
February 25, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
Amendment No. 1

ANNUAL REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED - OCTOBER 31, 2010

OR

TRANSITION REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 000-28489

ADVAXIS, INC.
(Name of Registrant in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

02-0563870
(I.R.S. Employer Identification No.)

Technology Centre of New Jersey
675 US Highway One
North Brunswick, New Jersey
(Address of Principal Executive Offices)

08902
(Zip Code)

(732) 545-1590
(Issuer's Telephone Number)

Securities registered under Section 12(b) of the Exchange Act:

Common Stock - \$.001 par value
The Common Stock is listed on the Over-The-Counter
Bulletin Board (OTC:BB)

Securities registered under Section 12(g) of the Exchange Act:

[None]

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

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Yes No

Check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 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 such shorter period that the registrant was required to submit and post such files). Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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 April 30, 2010, the aggregate market value of the voting common equity held by non-affiliates was approximately \$22,116,980 based on the closing bid price of the registrant's common stock on the Over the Counter Bulletin Board. (For purposes of determining this amount, only directors, executive officers, and 10% or greater stockholders and their respective affiliates have been deemed affiliates).

The registrant had 210,645,862 shares of Common Stock, par value \$0.001 per share, issued and outstanding as of January 27, 2011.

EXPLANATORY NOTE

This Amendment No. 1 to the Company's Annual Report on Form 10-K for the year ended October 31, 2010 as filed with the United States Securities and Exchange Commission (the "SEC") on January 31, 2011 (the "Original Filing"), amends and restates (i) Item 8 of Part II of the Original Filing to correct typographical errors in the Statement of Operations on page F-3 of the Original Filing (see page F-3 below) and to update the last paragraph of the Subsequent Events footnote on page F-24 of the Original Filing (see page F-24 below) as of February 16, 2011 and (ii) Items 10 through 14 of Part III that were previously omitted from the Original Filing in reliance on General Instruction G(3) to Form 10-K. General Instruction G(3) to Form 10-K provides that registrants may incorporate by reference certain information from a definitive proxy statement which involves the election of directors if such definitive proxy statement is filed with the SEC within 120 days after the end of the fiscal year. We do not now anticipate that the Company's definitive proxy statement involving the election of directors will be filed by February 28, 2011 (i.e., within 120 days after the end of the Company's 2010 fiscal year).

Pursuant to Rule 12b-15 under the Securities and Exchange Act of 1934, as amended, this Amendment No. 1 amends the Original Filing and contains new certifications pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

Except as described above, no other amendments have been made to the Original Filing. This Amendment No. 1 continues to speak as of the date of the Original Filing, and the Company has not updated the disclosure contained therein to reflect events that have occurred since the date of the Original Filing. Accordingly, this Amendment No. 1 should be read in conjunction with the Company's other filings made with the SEC subsequent to the filing of the Original Filing, including any amendments to those filings.

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PART II

Item 8: Financial Statements and Supplementary Data.

The index to Financial Statements appears on the page immediately prior to page F-1, the Report of the Independent Registered Public Accounting Firm appears on page F-1, and the Financial Statements and Notes to Financial Statements appear on pages F-2 to F-24.

PART III

Item 10: Directors, Executive Officers, Corporate Governance

Executive Officers, Directors and Key Employees

The following are our executive officers and directors and their respective ages and positions as of January 27, 2011:

| Name | Age | Position |
|---------------------|-----|--|
| Thomas A. Moore | 60 | Chief Executive Officer and Chairman of our Board of Directors |
| Dr. James Patton | 52 | Director |
| Roni A. Appel | 43 | Director |
| Dr. Thomas McKearn | 61 | Director |
| Richard Berman | 68 | Director |
| John Rothman, Ph.D. | 62 | Executive Vice President of Clinical and Scientific Operations |
| Mark J. Rosenblum | 57 | Chief Financial Officer, Senior Vice President and Secretary |

Thomas A. Moore. Mr. Moore joined our Board as an independent director in September 2006. Effective December 15, 2006, Mr. Moore was appointed our Chairman and Chief Executive Officer. He is currently also a director of MD Offices, an electronic medical records provider, and Opt-e-scrip, Inc., which markets a clinical system to compare multiple drugs in the same patient. He also serves as Chairman of the board of directors of Mayan Pigments, Inc., which has developed and patented Mayan pigment technology. Previously, from June 2002 to June 2004 Mr. Moore was President and Chief Executive Officer of Biopure Corporation, a developer of oxygen therapeutics that are intravenously administered to deliver oxygen to the body's tissues. From 1996 to November 2000 he was President and Chief Executive Officer of Nelson Communications. Prior to 1996, Mr. Moore had a 23-year career with the Procter & Gamble Company in multiple managerial positions, including President of Health Care Products where he was responsible for prescription and over-the-counter medications worldwide, and Group Vice President of the Procter & Gamble Company. Mr. Moore is a graduate of Princeton University. Mr. Moore's extensive business, managerial, executive and leadership experience in the healthcare industry make him particularly qualified to serve on our Board.

Mr. Moore is subject to a five year injunction, which came about because of a civil action captioned Securities & Exchange Commission v. Biopure Corp. et al. , No. 05-11853-PBS (D. Mass.), filed on September 14, 2005, which alleged that Mr. Moore made and approved misleading public statements about the status of FDA regulatory proceedings concerning a product manufactured by his former employer, Biopure Corp. Mr. Moore vigorously defended the action. On December 11, 2006, the SEC and Mr. Moore jointly sought a continuance of all proceedings based upon a tentative agreement in principle to settle the SEC action. The SEC's Commissioners approved the terms of the settlement, and the court formally adopted the settlement.

Dr. James Patton. Dr. Patton has served as a member of our board of directors since February 2002, as Chairman of our board of directors from November 2004 until December 31, 2005 and as Advaxis' Chief Executive Officer from February 2002 to November 2002. Since February 1999, Dr. Patton was the the Vice President of Millennium Oncology Management, Inc., which provides management services for radiation oncology care to four sites. Dr. Patton has been a trustee of Dundee Wealth US, a mutual fund family since October 2006. In addition, he has been President of Comprehensive Oncology Care, LLC since 1999, a company which owned and operated a cancer treatment facility in Exton, Pennsylvania until its sale in 2008. From February 1999 to September 2003, Dr. Patton also served as a consultant to LibertyView Equity Partners SBIC, LP, a venture capital fund based in Jersey City, New Jersey. From July 2000 to December 2002, Dr. Patton served as a director of Pinpoint Data Corp. From February 2000 to November 2000, Dr. Patton served as a director of Healthware Solutions. From June 2000 to June 2003, Dr. Patton served as a director of LifeStar Response. He earned his B.S. from the University of Michigan, his Medical Doctorate from Medical College of Pennsylvania, and his M.B.A. from Penn's Wharton School. Dr. Patton was also a Robert Wood Johnson Foundation Clinical Scholar. He has published papers regarding scientific research in human genetics, diagnostic test performance and medical economic analysis. Dr. Patton's experience as a trustee and consultant to funds that invest in life science companies provide him with the perspective from which we benefit. Additionally, Dr. Patton's medical experience and service as a principal and director of other life science companies makes Dr. Patton particularly qualified to serve as our director.

Roni A. Appel. Mr. Appel has served as a member of our board of directors since November 2004. He was our President and Chief Executive Officer from January 1, 2006 and Secretary and Chief Financial Officer from November 2004, until he resigned as our Chief Financial Officer on September 7, 2006 and as our President, Chief Executive Officer and Secretary on December 15, 2006. From 1999 to 2004, he was a partner and managing director of LV Equity Partners (f/k/a LibertyView Equity Partners). From 1998 until 1999, he was a director of business development at Americana Financial Services, Inc. From 1994 to 1998 he was an attorney and completed his MBA at Columbia University. Mr. Appel's longstanding service with us and his entrepreneurial investment career in early stage biotech businesses qualify him to serve as our director.

Dr. Thomas McKearn . Dr. McKearn has served as a member of our board of directors since July 2002. He brings more than 25 years of experience in the translation of biotechnology science into oncology products. First as one of the founders of Cytogen Corporation, then as an Executive Director of Strategic Science and Medicine at Bristol-Myers Squibb and now as the VP of Strategic Medical Affairs at Agennix, Inc. (formerly GPC-Biotech), he has worked at bringing the most innovative laboratory findings into the clinic and through the FDA regulatory process for the benefit of cancer patients who need better ways to cope with their afflictions. Prior to entering the biotechnology industry in 1981, Dr. McKearn received his medical, graduate and post-graduate training at the University of Chicago and served on the faculty of the Medical School at the University of Pennsylvania. Dr. McKearn's experience in managing life science companies, his knowledge of medicine and his commercialization of biotech products particularly qualify him to serve as our director.

Richard Berman. Mr. Berman has served as a member of our board of directors since September 1, 2005. In the last five years, he served as a professional director and/or officer of about a dozen public and private companies. He is currently Chairman of NexMed, Inc., a public biotech company, and National Investment Managers. Mr. Berman is a director of six public companies: Broadcaster, Inc., Easy Link Services International, Inc., NexMed, Inc., National Investment Managers, Advaxis, Inc., and NeoStem, Inc. Previously, Mr. Berman worked at Goldman Sachs and was Senior Vice President of Bankers Trust Company, where he started the M&A and Leverage Buyout Departments. He is a past Director of the Stern School of Business of New York University, where he earned a B.S. and an M.B.A. He also has law degrees from Boston College and The Hague Academy of International Law. Mr. Berman's extensive knowledge of our industry, his role in the governance of publically held companies and his directorships in other life science companies qualify him to serve as our director.

John Rothman, Ph.D. Dr. Rothman joined our company in March 2005 as Vice President of Clinical Development and as of December 12, 2008 he was appointed to Executive Vice President of Clinical and Scientific Operations. From 2002 to 2005, Dr. Rothman was Vice President and Chief Technology Officer of Princeton Technology Partners. Prior to that he was involved in the development of the first interferon at Schering Inc., was director of a variety of clinical development sections at Hoffman LaRoche, and the Senior Director of Clinical Data Management at Roche. While at Roche his work in Kaposi's Sarcoma became the clinical basis for the first filed BLA which involved the treatment of AIDS patients with interferon. Dr. Rothman completed his doctorate at City University of Los Angeles.

Mark J. Rosenblum. Effective as of January 5, 2010, Mr. Rosenblum joined our company as our Chief Financial Officer, Senior Vice President and Secretary. Mr. Rosenblum was the Chief Financial Officer of HemobioTech, Inc., a public company primarily engaged in the commercialization of human blood substitute technology licensed from Texas Tech University, from April 1, 2005 until December 31, 2009. From August 1985 through June 2003, Mr. Rosenblum was employed by Wellman, Inc., a public chemical manufacturing company. Between 1996 and 2003, Mr. Rosenblum was the Chief Accounting Officer, Vice President and Controller at Wellman, Inc. Mr. Rosenblum holds both a Masters in Accountancy and a B.S. degree from the University of South Carolina. Mr. Rosenblum is a certified public accountant.

Board of Directors

Each director is elected for a period of one year and serves until the next annual meeting of stockholders, or until his or her successor is duly elected and qualified. Officers are elected by, and serve at the discretion of, our board of directors. The board of directors may also appoint additional directors up to the maximum number permitted under our by-laws, which is currently nine.

Director Independence

In accordance with the disclosure requirements of the SEC, and since the Over-The-Counter Bulletin Board (OTCBB) does not have its own rules for director independence, we have adopted the NASDAQ listing standards for independence effective April 2010. Although we are not presently listed on any national securities exchange, each of our directors, other than Mr. Thomas A. Moore and Mr. Roni Appel, is independent in accordance with the definition set forth in the NASDAQ rules. Each current member of the Audit Committee and Compensation Committee is an independent director under the NASDAQ standards. The Board considered the information included in transactions with related parties as outlined below along with other information the Board considered relevant, when considering the independence of each director.

Committees of the Board of Directors

Our board of directors has three standing committees: the audit committee, the compensation committee, and the nominating and corporate governance committee.

Audit Committee

The audit committee of our board of directors is currently composed of two directors, both of whom satisfy the independence standards for audit committee members under the NASDAQ rules (although our securities are not listed on the NASDAQ stock market but are quoted on the OTC Bulletin Board). For fiscal 2010, the audit committee was composed of Mr. Berman and Dr. Patton, with Mr. Berman serving as the audit committee's financial expert as defined under Item 407 of Regulation S-K of the Securities Act of 1933, as amended, which we refer to as the Securities Act. Our board of directors has determined that the audit committee financial expert is independent as defined in (i) Rule 10A-3(b)(i)(ii) under the Exchange Act and (ii) under Section 121 B(2)(a) of the NYSE Amex Equities Company Guide (although our securities are not listed on the NYSE Amex Equities but are quoted on the OTC Bulletin Board).

The audit committee is responsible for the following:

- reviewing the results of the audit engagement with the independent registered public accounting firm;
- identifying irregularities in the management of our business in consultation with our independent accountants, and suggesting an appropriate course of action;
 - reviewing the adequacy, scope, and results of the internal accounting controls and procedures;
- reviewing the degree of independence of the auditors, as well as the nature and scope of our relationship with our independent registered public accounting firm;
 - reviewing the auditors' fees; and
- recommending the engagement of auditors to the full board of directors.

Compensation Committee

The compensation committee of our board of directors consists of Mr. Berman and Dr. McKearn. The compensation committee determines the salaries and incentive compensation of our officers subject to applicable employment agreements, and provides recommendations for the salaries and incentive compensation of our other employees and consultants.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee of our board of directors currently consists of Mr. Berman and Mr. Moore. The nominating and corporate governance committee did not meet in fiscal 2010. The functions of the nominating and corporate governance committee include the following:

- identifying and recommending to the board of directors individuals qualified to serve as members of our board of directors and on the committees of the board;
 - advising the board with respect to matters of board composition, procedures and committees;

- developing and recommending to the board a set of corporate governance principles applicable to us and overseeing corporate governance matters generally including review of possible conflicts and transactions with persons affiliated with directors or members of management; and
- overseeing the annual evaluation of the board and our management.

The nominating and corporate governance committee will consider director candidates recommended by eligible stockholders. Stockholders may recommend director nominees for consideration by the nominating and corporate governance committee by writing to the Nominating and Corporate Governance, Attention: Chairman, Advaxis, Inc., Technology Centre of New Jersey, 675 US Highway One, New Brunswick, New Jersey, 08902. Any recommendations for director made to the nominating and corporate governance committee should include the nominee's name and qualifications for membership on our board of directors, and should include the following information for each person being recommended or nominated for election as a director:

- The name, age, business address and residence address of the person;
- The principal occupation or employment of the person;
- The number of shares of our common stock which the person owns beneficially or of record; and
- Any other information relating to the person that must be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors under Section 14 of the Exchange Act and its rules and regulations.

In addition, the stockholder's notice must include the following information about such stockholder:

- The stockholder's name and record address;
- The number of shares of our common stock that the stockholder owns beneficially or of record;
- A description of all arrangements or understandings between the stockholder and each proposed nominee and any other person or persons, including their names, pursuant to which the nomination is to be made;
- A representation that the stockholder intends to appear in person or by proxy at the annual meeting to nominate the person or persons named in such stockholder's notice; and
- Any other information about the stockholder that must be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors under Section 14 of the Exchange Act and its rules and regulations.

The notice must include a written consent by each proposed nominee to being named as a nominee and to serve as a director if elected. No person will be eligible for election as a director of ours unless recommended by the nominating and corporate governance committee and nominated by our board of directors or nominated in accordance with the procedures set forth above. Candidates proposed by stockholders for nomination are evaluated using the same criteria as candidates initially proposed by the nominating and corporate governance committee.

We must receive the written nomination for an annual meeting not less than 90 days and not more than 120 days prior to the first anniversary of the previous year's annual meeting of stockholders, or, if no annual meeting was held the previous year or the date of the annual meeting is advanced more than 30 days before or delayed more than 60 days after the anniversary date, we must receive the written nomination not more than 120 days prior to the annual meeting and not less than the later of 90 days prior to the annual meeting or ten days following the day on which public announcement of the date of the annual meeting is first made. For a special meeting, we must receive the written nomination not less than the later of 90 days prior to the special meeting or ten days following the day on which public announcement of the date of the special meeting is first made.

The nominating and corporate governance committee expects, as minimum qualifications, that nominees to our board of directors (including incumbent directors) will enhance our board of director's management, finance and/or scientific expertise, will not have a conflict of interest and will have a high ethical standard. A director nominee's knowledge and/or experience in areas such as, but not limited to, the medical, biotechnology, or life sciences industry, equity and debt capital markets and financial accounting are likely to be considered both in relation to the individual's qualification to serve on our board of directors and the needs of our board of directors as a whole. Other characteristics, including but not limited to, the director nominee's material relationships with us, time availability, service on other boards of directors and their committees, or any other characteristics which may prove relevant at any

given time as determined by the nominating and corporate governance committee shall be reviewed for purposes of determining a director nominee's qualification.

Candidates for director nominees are evaluated by the nominating and corporate governance committee in the context of the current composition of our board of directors, our operating requirements and the long-term interests of our stockholders. The nominating and corporate governance committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The nominating and corporate governance committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of our board of directors. In the case of incumbent directors whose terms of office are set to expire, the nominating and corporate governance committee reviews such directors' overall service to us during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. The nominating and corporate governance committee meets to discuss and consider such candidates' qualifications and then selects a nominee for recommendation to our board of directors by majority vote. To date, the nominating and corporate governance committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates.

Compensation Committee Interlocks and Insider Participation

The current members of the compensation committee are Mr. Berman and Dr. McKearn. Currently, none of such persons is an officer or employee of us or any of our subsidiaries. During fiscal 2010, none of our executive officers served as a director or member of a compensation committee (or other committee serving an equivalent function) of any other entity, whose executive officers served as a director or member of our compensation committee. No interlocking relationship, as defined by the Securities Exchange Act of 1934, as amended, exists between our board of directors or our Compensation Committee and the board of directors or compensation committee of any other company.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and each person who owns more than ten percent of a registered class of our equity securities (collectively, "Reporting Persons") to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and our other equity securities. Reporting Persons are required by SEC regulation to furnish us with copies of all Section 16(a) forms that they file. Based solely on the Company's review of the copies of the forms received by it during the fiscal year ended October 31, 2010 and written representations that no other reports were required, the Company believes that each person who, at any time during such fiscal year, was a director, officer or beneficial owner of more than ten percent of the Company's common stock complied with all Section 16(a) filing requirements during such fiscal year.

Code of Ethics

We have adopted a code of ethics that applies to our officers, employees and directors, including our principal executive officers, principal financial officer and principal accounting officer. The code of ethics sets forth written standards that are designated to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications made by us;
 - compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in our code of ethics; and
 - accountability for adherence to our code of ethics.

A copy of our code of ethics has been filed with the SEC as an exhibit to our Form 8-K dated November 12, 2004.

Item 11: Executive Compensation

Summary Compensation Table

The following table sets forth the information as to compensation paid to or earned by our Chief Executive Officer and our two other most highly compensated executive officers during the fiscal years ended October 31, 2010 and 2009. These individuals are referred to in this prospectus as our named executive officers. As none of our named executive officers received non-equity incentive plan compensation or nonqualified deferred compensation earnings during the fiscal years ended October 31, 2010 and 2009, we have omitted those columns from the table.

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| Name and Principal Position | Fiscal Year | Salary | Bonus | Stock Award(s) (1) | Option Award(s) (1) | All Other Compensation | Total |
|--|-------------|------------|--------|--------------------|---------------------|------------------------|------------|
| Thomas A. Moore, CEO and Chairman | 2010 | \$ 350,000 | \$ - | \$ 135,000 (7) | \$ 224,800 | \$ 142,174 (3) | \$ 851,974 |
| | 2009 | 350,000 | - | 71,250 (7) | 223,500 | 17,582 (2) | 662,332 |
| Dr. John Rothman, Executive VP of Science & Operations | 2010 | 250,000 | 50,000 | 30,000 (4) | 252,900 | 29,451 (5) | 612,351 |
| | 2009 | 250,000 | - | 30,000 (4) | 156,450 | 23,797 (5) | 460,247 |
| Mark J. Rosenblum, Chief Financial Officer | 2010 | 225,000 | - | - | 134,880 | 8,494 (6) | 368,374 |
| | 2009 | - | - | - | - | - | - |

(1) The amounts shown in this column represent the fair value on grant date in accordance with ASC 718 using the assumptions described under Stock Compensation in Note 2 to our financial statements included elsewhere in this prospectus.

(2) Based on our cost of Mr. Moore's coverage for health care.

- (3) Based on our cost of Mr. Moore's coverage for health care and interest received for the Moore Notes.
- (4) Represents \$30,000 of base salary paid in shares of our common stock in lieu of cash, based on the average monthly stock price.
- (5) Based on our cost of his coverage for health care and the 401K company match he received.
- (6) Based on our cost of his coverage for health care.
- (7) For 2010, represents 750,000 shares of our common stock granted to Mr. Moore based on the financial raise milestone in his employment agreement valued at the market close price on June 29, 2010. For 2009, represents 750,000 shares of the Company's common stock granted to him based on the financial raise milestone in his employment agreement valued at the market close price on April 4, 2008.

Discussion of Summary Compensation Table

We are party to an employment agreement with each of our named executive officers who is presently employed by us, other than Mr. Rosenblum. Each employment agreement sets forth the terms of that officer's employment, including among other things, salary, bonus, non-equity incentive plan and other compensation, and its material terms are described below. In fiscal 2009 and fiscal 2010, we granted stock options to our named executive officers to purchase shares of our common stock and issued stock to our Chief Executive Officer. The material terms of these grants are also described below.

Moore Employment Agreement and Option Agreements. We are party to an employment agreement with Mr. Moore, dated as of August 21, 2007 (memorializing an oral agreement dated December 15, 2006), that provides that he will serve as our Chairman of the Board and Chief Executive Officer for an initial term of two years. For so long as Mr. Moore is employed by us, Mr. Moore is also entitled to nominate one additional person to serve on our board of directors. Following the initial term of employment, the agreement was renewed for a one year term, and is automatically renewable for additional successive one year terms, subject to our right and Mr. Moore's right not to renew the agreement upon at least 90 days' written notice prior to the expiration of any one year term.

Under the terms of the agreement, Mr. Moore was entitled to receive a base salary of \$250,000 per year, subject to increase to \$350,000 per year upon our successful raise of at least \$4.0 million (which condition was satisfied on November 1, 2007) and subject to annual review for increases by our board of directors in its sole discretion. The agreement also provides that Mr. Moore is entitled to receive family health insurance at no cost to him. Mr. Moore's employment agreement does not provide for the payment of a bonus.

In connection with our hiring of Mr. Moore, we agreed to grant Mr. Moore up to 1,500,000 shares of our common stock, of which 750,000 shares were issued on November 1, 2007 upon our successful raise of \$4.0 million and 750,000 shares were issued on June 29, 2010 upon our successful raise of an additional \$6.0 million (which condition was satisfied in January 2010). In addition, on December 15, 2006, we granted Mr. Moore options to purchase 2,400,000 shares of our common stock. Each option is exercisable at \$0.143 per share (which was equal to the closing sale price of our common stock on December 15, 2006) and expires on December 15, 2016. The options vested in 24 equal monthly installments. On July 21, 2009, we granted Mr. Moore options to purchase 2,500,000 shares of our common stock. Each option is exercisable at \$0.10 per share (which was equal to the closing sale price of our common stock on July 21, 2009) and expires on July 21, 2019. One-third of these options vested on the grant date, one-third of these options vested on the first anniversary of the grant and the remaining one-third will vest on the second anniversary of the grant. On October 14, 2010, we granted Mr. Moore options to purchase 2,000,000 shares of our common stock. Each option is exercisable at \$0.15 per share. These options vest over a three year period

beginning one year from the grant date.

We have also agreed to grant Mr. Moore options to purchase an additional 1,500,000 shares of our common stock if the price of common stock (adjusted for any splits) is equal to or greater than \$0.40 for 40 consecutive business days. Pursuant to the terms of his employment agreement, all options will be awarded and vested upon a merger of the company which is a change of control or a sale of the company while Mr. Moore is employed. In addition, if Mr. Moore's employment is terminated by us, Mr. Moore is entitled to receive severance payments equal to one year's salary at the then current compensation level.

Mr. Moore has agreed to refrain from engaging in certain activities that are competitive with us and our business during his employment and for a period of 12 months thereafter under certain circumstances. In addition, Mr. Moore is subject to a non-solicitation provision for 12 months after termination of his employment.

Rothman Employment Agreement and Option Agreements. We previously entered into an employment agreement with Dr. Rothman, Ph.D., dated as of March 7, 2005, that provided that he would serve as our Vice President of Clinical Development for an initial term of one year. Dr. Rothman's current salary is \$305,000, consisting of \$275,000 in cash and \$30,000 in stock, payable in our common stock, based on the average closing stock price for such six month period. While the employment agreement has expired and has not been formally renewed in accordance with the agreement, Dr. Rothman remains employed by us and is currently our Executive V.P. of Clinical and Scientific Operations.

In addition, on March 1, 2005, we granted Dr. Rothman options to purchase 360,000 shares of our common stock. Each option is exercisable at \$0.287 per share (which was equal to the closing sale price of our common stock on March 1, 2005) and expires on March 1, 2015. All of these options have vested. On March 29, 2006, we granted Dr. Rothman options to purchase 150,000 shares of our common stock. Each option is exercisable at \$0.26 per share (which was equal to the closing sale price of our common stock on March 29, 2006) and expires on March 29, 2016. One-fourth of these options vested on the first anniversary of the grant date, and the remaining vest in 12 equal quarterly installments. On February 15, 2007, we granted Dr. Rothman options to purchase 300,000 shares of our common stock. Each option is exercisable at \$0.165 per share (which was equal to the closing sale price of our common stock on February 15, 2007) and expires on February 15, 2017. One-fourth of these options vested on the first anniversary of the grant date, and the remaining vest in 12 equal quarterly installments. Pursuant to the terms of the 2005 plan, at least 75% of Dr. Rothman's options will be vested upon a merger of the company which is a change of control or a sale of the company while Dr. Rothman is employed, unless the administrator of the plan otherwise allows for all options to become vested. On July 21, 2009, we granted Mr. Rothman options to purchase 1,750,000 shares of our common stock. Each option is exercisable at \$0.10 per share (which was equal to the closing sale price of our common stock on July 21, 2009) and expires on July 21, 2019. One-third of these options vested on the grant date, one-third of these options vested on the first anniversary of the grant and the remaining one-third will vest on the second anniversary of the grant. On October 14, 2010, we granted Dr. Rothman options to purchase 2,250,000 shares of our common stock. Each option is exercisable at \$0.15 per share. These options vest over a three year period beginning one year from the grant date.

Dr. Rothman has agreed to refrain from engaging in certain activities that are competitive with us and our business during his employment and for a period of 18 months thereafter under certain circumstances. In addition, Dr. Rothman is subject to a non-solicitation provision for 18 months after termination of his employment.

Rosenblum Compensation. Mr. Rosenblum serves as our Chief Financial Officer, Senior Vice President and Secretary. His current salary is \$240,000 per annum, with a discretionary bonus of up to 30% of his base compensation awarded annually in March beginning in 2011. While an employment agreement has not been formally entered into, Mr. Rosenblum remains employed by us.

In addition, on January 5, 2010 Mr. Rosenblum was granted options to purchase 1,000,000 shares of the our common stock with an exercise price equal to \$0.128. One third of these options vested on the date of grant, one third vested on January 5, 2011, and one third vests on the second anniversary of the date of grant. On October 14, 2010, we granted Mr. Rosenblum options to purchase 1,200,000 shares of our common stock. Each option is exercisable at \$0.15 per share. These options vest over a three year period beginning one year from the grant date.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information about the number of outstanding equity awards held by our named executive officers at October 31, 2010.

| Name | Option Awards | | | | | Stock Awards | | | |
|------|---|---|---|----------------------------|------------------------|---|--|--|---|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That | Market Value of Shares or Units of Stock | Equity Incentive Plan Awards: Number of Unearned | Equity Incentive Plan Awards: Market Payout |

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| | | Unearned Options (#) | | | | Have Not Vested (#) | That Have Not Vested (\$) | Shares, Units or Other Rights That Have Not Vested (#) | Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) |
|----------------------|-----------|----------------------------|---|--------|----------|------------------------------|---------------------------------------|---|---|
| Thomas A. Moore | 1,666,667 | 833,333 (1) | — | 0.100 | 7/21/19 | — | \$ — | — | — |
| | 2,400,000 | — | — | 0.143 | 12/15/16 | — | — | — | — |
| | | 2,000,000(2) | — | 0.15 | 10/14/20 | — | — | — | — |
| Dr. John Rothman | 1,166,667 | 583,333 (3) | — | 0.100 | 7/21/19 | — | — | — | — |
| | 360,000 | — | — | 0.287 | 3/1/15 | — | — | — | — |
| | 150,000 | - | — | 0.260 | 3/29/16 | — | — | — | — |
| | 281,250 | 18,750 (4) | — | 0.165 | 2/15/17 | — | — | — | — |
| | | 2,250,000(5) | — | 0.15 | 10/14/20 | — | — | — | — |
| Mark J. Rosenblum | 666,666 | 333,334 (6) | — | 0.1291 | 1/05/20 | — | — | — | — |
| | | 1,200,000(7) | — | 0.15 | 10/14/20 | — | — | — | — |

- (1) Of these options, approximately 833,333 became exercisable on July 21, 2009, approximately 833,333 became exercisable on July 21, 2010 and approximately 833,333 will become exercisable on July 21, 2011.
- (2) Of these options, approximately 666,666 will become exercisable on October 14, 2011, approximately 666,667 will become exercisable on October 14, 2012 and approximately 666,667 will become exercisable on October 14, 2013.
- (3) Of these options, approximately 583,333 became exercisable on July 21, 2009, approximately 583,333 became exercisable on July 21, 2010 and approximately 583,333 will become exercisable on July 21, 2011.
- (4) Of these options, 75,000 became exercisable on February 15, 2008, 18,750 became exercisable in each quarter from the quarter ended April 30, 2008 through the quarter ended October 31, 2010, and 18,750 become exercisable February 15, 2011.
- (5) Of these options, 750,000 will become exercisable on October 14, 2011, 750,000 will become exercisable on October 14, 2012 and 750,000 will become exercisable on October 14, 2013.
- (6) Of these options, 333,333 became exercisable on January 5, 2010, 333,333 became exercisable on January 5, 2011 and 333,334 will become exercisable on January 5, 2012.
- (7) Of these options, 400,000 will become exercisable on October 14, 2011, 400,000 will become exercisable on October 14, 2012 and 400,000 will become exercisable on October 14, 2013.

Director Compensation

All of our non-employee directors earn a combination of cash compensation and awards of shares of our common stock. Each non-employee director (other than Mr. Berman) earns 6,000 shares of our common stock per quarter. Additionally, each non-employee director earns \$2,000 for each board meeting attended in person and \$750 for each telephonic board meeting. In addition, each member of a committee of the Board earns \$2,000 per meeting attended in person held on days other than board meeting days and \$750 for each telephonic committee meeting. In addition, Mr. Berman, earns \$2,000 a month in shares of our common stock based on the average closing price of our common stock for the preceding month. The non-employee director compensation that was earned for the twelve months ended October 31, 2010, was not paid or issued. Our employee director does not receive any compensation for his services as a director.

The table below summarizes the compensation that was earned by our non-employee directors for fiscal 2010. As none of our non-employee directors received non-equity incentive plan compensation or nonqualified deferred compensation earnings during fiscal 2010, we have omitted those columns from the table.

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$)(1) | All other Compensation (\$) | Total (\$) |
|--------------------|--|-------------------------|-----------------------------|-----------------------------------|---------------|
| Roni A. Appel | \$ 5,500 | \$ 4,020 (2) | \$ 28,100 (3) | — | \$ 37,620 |
| Dr. James Patton | 9,000 | 4,020 (2) | 28,100 (3) | — | 41,120 |
| Dr. Thomas McKearn | 3,500 | 4,020 (2) | 44,960 (4) | — | 52,480 |
| Richard Berman | 7,750 | 24,000 (5) | 44,960 (4) | — | 76,710 |

- (1) The amounts shown in this column represent the fair value on grant date in accordance with ASC 718 using the assumptions described under Stock Compensation in Note 2 to our financial statements included elsewhere in this prospectus.
- (2) Represents the grant date fair value of 6,000 shares of our common stock a quarter earned (but not paid or issued) if the member attends at least 75% of the meetings annually.
- (3) Based on the grant date fair value (\$0.1124) of 250,000 options granted on October 14, 2010.
- (4) Based on the grant date fair value (\$0.1124) of 400,000 options granted on October 14, 2010.
- (5) Based on \$24,000 of compensation in the form of shares of our common stock earned but not issued to date.

2004 Stock Option Plan

In November 2004, our board of directors adopted and our stockholders approved the 2004 Stock Option Plan, which we refer to as the 2004 plan. The 2004 plan provides for the grant of options to purchase up to 2,381,525 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued, in addition to employees, to non-employee directors and consultants. As of January 27, 2011, options to purchase 2,381,525 shares of our common stock have been granted under the 2004 plan.

The 2004 plan is administered by “disinterested members” of our board of directors or the compensation committee, who determine, among other things, the individuals who will receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of our common stock subject to a non-qualified option may be established by our board of directors, but will not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

No stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee will be entitled to exercise the option to the extent vested at termination, unless otherwise determined by our board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee’s options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2004 plan within ten years from the effective date of the 2004 plan. The effective date of the 2004 plan was November 12, 2004. Subject to a number of exceptions, holders of incentive stock options granted under the 2004 plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2004 plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee’s options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee’s ceasing to be employed by us become available again for issuance under the 2004 plan.

2005 Stock Option Plan

In June 2006 our board of directors adopted, and on June 6, 2006 our stockholders approved, the 2005 Stock Option Plan, which we refer to as the 2005 plan.

The 2005 plan provides for the grant of options to purchase up to 5,600,000 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued to non-employee directors, consultants and others, as well as to our employees. As of January 27, 2011, options to purchase 5,429,917 shares of our common stock have been granted under the 2005 plan.

The 2005 plan is administered by “disinterested members” of our board of directors or the compensation committee, who determine, among other things, the individuals who will receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of our common stock subject to a non-qualified option may be established by our board of directors, but will not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

Except when agreed to by our board of directors or the administrator of the 2005 plan, no stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee will be entitled to exercise the option, unless otherwise determined by our board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee's options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2005 plan within ten years from the effective date of the 2005 plan. The effective date of the 2005 plan was January 1, 2005. Subject to a number of exceptions, holders of incentive stock options granted under the 2005 plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2005 plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee's options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee's ceasing to be employed by us become available again for issuance under the 2005 plan.

2009 Stock Option Plan

Our board of directors adopted the 2009 Stock Option Plan effective July 21, 2009, and recommended that it be submitted to our shareholders for their approval at the next annual meeting. On April 23, 2010, our board of directors approved and adopted, and on June 1, 2010 our stockholders approved, the amended and restated 2009 Stock Option Plan, which we refer to as the 2009 plan. As of January 27, 2011, options to purchase 19,409,732 shares of our common stock have been granted under the 2009 plan, not including options to purchase 2,366,667 shares of our common stock that were granted under the 2009 plan and subsequently cancelled.

The 2009 plan is to be administered by the compensation committee of our board of directors; provided, however, that except as otherwise expressly provided in the 2009 plan, our board of directors may exercise any power or authority granted to the compensation committee under the 2009 plan. Subject to the terms of the 2009 plan, the compensation committee is authorized to select eligible persons to receive options, determine the type, number and other terms and conditions of, and all other matters relating to, options, prescribe option agreements (which need not be identical for each participant), and the rules and regulations for the administration of the 2009 plan, construe and interpret the 2009 plan and option agreements, correct defects, supply omissions or reconcile inconsistencies therein, and make all other decisions and determinations as the compensation committee may deem necessary or advisable for the administration of the 2009 plan.

An aggregate of 20,000,000 shares of our common stock (subject to adjustment by the compensation committee) are reserved for issuance upon the exercise of options granted under the 2009 plan. The maximum number of shares of common stock to which options may be granted to any one individual under the 2009 plan is 6,000,000 (subject to adjustment by the compensation committee). The shares acquired upon exercise of options granted under the 2009 plan will be authorized and issued shares of our common stock. Our shareholders will not have any preemptive rights to purchase or subscribe for any common stock by reason of the reservation and issuance of common stock under the 2009 plan. If any option granted under the 2009 plan should expire or terminate for any reason other than having been exercised in full, the unpurchased shares subject to that option will again be available for purposes of the 2009 plan.

The persons eligible to receive awards under the 2009 plan are the officers, directors, employees, consultants and other persons who provide services to us or any related entity. An employee on leave of absence may be considered as still in our or a related entity's employ for purposes of eligibility for participation in the 2009 plan. All options granted under the 2009 plan must be evidenced by a written agreement. The agreement will contain such terms and conditions as the compensation committee shall prescribe, consistent with the 2009 plan, including, without limitation, the exercise price, term and any restrictions on the exercisability of the options granted. For any option granted under the 2009 plan, the exercise price per share of common stock may be any price determined by the compensation committee; however, the exercise price per share of any incentive stock option may not be less than the fair market value of the common stock on the date such incentive stock option is granted.

The compensation committee may permit the exercise price of an option to be paid for in cash, by certified or official bank check or personal check, by money order, with already owned shares of common stock that have been held by the optionee for at least six (6) months (or such other shares as we determine will not cause us to recognize for financial accounting purposes a charge for compensation expense), the withholding of shares of common stock issuable upon exercise of the option, by delivery of a properly executed exercise notice together with such documentation as shall be required by the compensation committee (or, if applicable, the broker) to effect a cashless exercise, or a combination of the above. If paid in whole or in part with shares of already owned common stock, the value of the shares surrendered is deemed to be their fair market value on the date the option is exercised.

No incentive stock option, and unless the prior written consent of our compensation committee is obtained (which consent may be withheld for any reason) and the transaction does not violate the requirements of Rule 16b-3 of the Exchange Act, no non-qualified stock option granted under the 2009 plan is assignable or transferable, other than by will or by the laws of descent and distribution. During the lifetime of an optionee, an option is exercisable only by him or her, or in the case of a non-qualified stock option, by his or her permitted assignee.

The expiration date of an option under the 2009 plan will be determined by our compensation committee at the time of grant, but in no event may such an option be exercisable after 10 years from the date of grant. An option may be exercised at any time or from time to time or only after a period of time in installments, as determined by our compensation committee. Our compensation committee may in its sole discretion accelerate the date on which any option may be exercised. Each outstanding option granted under the 2009 plan may become immediately fully exercisable in the event of certain transactions, including certain changes in control of us, certain mergers and reorganizations, and certain dispositions of substantially all our assets.

Unless otherwise provided in the option agreement, the unexercised portion of any option granted under the 2009 plan shall automatically be terminated (a) three months after the date on which the optionee's employment is terminated for any reason other than (i) cause (as defined in the 2009 plan), (ii) mental or physical disability, or (iii) death; (b) immediately upon the termination of the optionee's employment for cause; (c) one year after the date on which the optionee's employment is terminated by reason of mental or physical disability; or (d) one year after the date on which the optionee's employment is terminated by reason of optionee's death, or if later, three months after the date of optionee's death if death occurs during the one year period following the termination of the optionee's employment by reason of mental or physical disability.

Unless earlier terminated by our board, the 2009 plan will terminate at the earliest of (a) such time as no shares of common stock remain available for issuance under the 2009 plan, (b) termination of the 2009 plan by our board, or (c) the tenth anniversary of the effective date of the 2009 plan. Options outstanding upon expiration of the 2009 plan shall remain in effect until they have been exercised or terminated, or have expired.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of January 27, 2011 of:

- each person who is known by us to be the beneficial owner of more than 5% of our outstanding common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

As used in the table below and elsewhere in this prospectus, the term beneficial ownership with respect to our common stock consists of sole or shared voting power (which includes the power to vote, or to direct the voting of shares of our common stock) or sole or shared investment power (which includes the power to dispose, or direct the disposition of, shares of our common stock) through any contract, arrangement, understanding, relationship or otherwise, including a right to acquire such power(s) during the 60 days following January 27, 2011.

Unless otherwise indicated in the footnotes to this table, and subject to community property laws where applicable, we believe each of the stockholders named in this table has sole voting and investment power with respect to the shares

indicated as beneficially owned. Applicable percentages are based on 210,645,862 shares of common stock outstanding as of January 27, 2011, adjusted as required by the rules promulgated by the SEC. Unless otherwise indicated, the address for each of the individuals and entities listed in this table is the Technology Centre of New Jersey, 675 U.S. Highway One, North Brunswick, New Jersey 08902.

| Name and Address of Beneficial Owner | Number of Shares of our Common Stock Beneficially Owned | Percentage of Class Beneficially Owned |
|---|--|--|
| Thomas A. Moore | 10,252,171 (1) | 4.8 % |
| Roni A. Appel | 6,919,225 (2) | 3.2 % |
| Richard Berman | 2,190,933 (3) | 1.0 % |
| Dr. James Patton | 3,345,830 (4) | 1.6 % |
| Dr. Thomas McKearn | 1,014,054 (5) | * |
| Dr. John Rothman | 4,162,922 (6) | 1.9 % |
| Mark J. Rosenblum | 666,666 (7) | * |
| All Current Directors and Executive Officers as a Group (7 people) | 28,551,801 (8) | 13.4 % |

* Less than 1%.

- (1) Represents 5,352,171 issued shares of our common stock and options to purchase 4,900,000 shares of our common stock exercisable within 60 days. However, it excludes warrants to purchase 6,091,956 shares of our common stock, limited by a 4.99% beneficial ownership provision in the warrants that would prohibit him from exercising any of such warrants to the extent that upon such exercise he, together with his affiliates, would beneficially own more than 4.99% of the total number of shares of our common stock then issued and outstanding (unless Mr. Moore provides us with 61 days' notice of the holders waiver of such provisions).
- (2) Represents 4,130,134 issued shares of our common stock, options to purchase 2,729,091 shares of our common stock exercisable within 60 days and 60,000 shares of our common stock earned but not yet issued.
- (3) Represents 760,624 issued shares of our common stock, options to purchase 900,001 shares of our common stock exercisable within 60 days and 530,308 shares of our common stock earned but not yet issued.
- (4) Represents 2,820,576 issued shares of our common stock, options to purchase 423,254 shares of our common stock exercisable within 60 days and 102,000 shares earned but not yet issued.
- (5) Represents 179,290 issued shares of our common stock, options to purchase 732,764 shares of our common stock exercisable within 60 days and 102,000 shares of our common stock earned but not yet issued.
- (6) Represents 275,775 issued shares of our common stock, options to purchase 2,503,749 shares of our common stock exercisable within 60 days and 1,383,398 shares of our common stock earned but not yet issued.
- (7) Represents options to purchase 666,666 shares of our common stock exercisable within 60 days.
- (8) Represents an aggregate of 13,518,570 shares of our common stock, options to purchase 12,855,525 shares of our common stock exercisable within 60 days, and 2,177,706 shares of our common stock earned but not yet issued.

Item 13: Certain Relationships and Related Transactions, and Director Independence

Our policy is to enter into transactions with related parties on terms that, on the whole, are no more favorable, or no less favorable, than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the

transactions described below met this policy standard at the time they occurred.

On September 22, 2008, we entered into a note purchase agreement with our Chief Executive Officer, Thomas A. Moore, pursuant to which we agreed to sell to Mr. Moore, from time to time, one or more senior promissory notes, which we refer to as the Moore Notes. On June 15, 2009, we amended the terms of the Moore Notes to increase the amounts available from \$800,000 to \$950,000 and to change the maturity date of the Moore Notes from June 15, 2009 to the earlier of January 1, 2010 or our next equity financing resulting in gross proceeds to us of at least \$6.0 million. On February 15, 2010, we agreed to amend the terms of the Moore Notes such that (i) Mr. Moore had the option to elect to receive accumulated interest thereon on or after March 17, 2010 (which amounted to approximately \$130,000), (ii) we were to begin to make monthly installment payments of \$100,000 on the outstanding principal amount on April 15, 2010; provided, however, that the balance of the principal will be repaid in full on consummation of our next equity financing resulting in gross proceeds to us of at least \$6.0 million and (iii) we will retain \$200,000 of the repayment amount for investment in our next equity financing. As of April 30, 2010, approximately \$850,000 in Moore Notes were outstanding and payable to Mr. Moore. In May 2010, we issued 1,176,471 shares of common stock to Mr. Moore (based on a price of \$0.17 per share) in satisfaction of \$200,000 of Moore Notes.

The Moore Notes bear interest at a rate of 12% per annum, compounded quarterly, and may be prepaid in whole or in part at our option without penalty at any time prior to maturity. In consideration of Mr. Moore's original agreement to purchase the Moore Notes, we agreed that concurrently with an equity financing resulting in gross proceeds to us of at least \$6.0 million, we will issue to Mr. Moore a warrant to purchase our common stock, which will entitle Mr. Moore to purchase a number of shares of our common stock equal to one share per \$1.00 invested by Mr. Moore in the purchase of the Moore Notes. The terms of these warrants were subsequently modified by our board of directors based on the terms of the senior bridge financing increasing the number of shares underlying the warrant from one share per \$1.00 invested to two and one-half shares. The terms of these warrants were further modified by our board of directors to increase the number of shares underlying the warrant from two and one-half shares per \$1.00 invested to three shares. The final terms are anticipated to contain the same terms and conditions as warrants issued to investors in the subsequent financing (which are currently exercisable at \$0.17 per share).

Item 14: Principal Accountant Fees and Services

McGladrey & Pullen, LLP ("M&P") have billed or anticipate billing the Company as follows for the year ended October 31, 2010 and 2009.

The following table sets forth the fees billed by our independent accountants for each of our last two fiscal years for the categories of services indicated:

| | Fiscal Year 2010 | Fiscal Year 2009 |
|--|---------------------|---------------------|
| Audit Fees-McGladrey and Pullen, LLP | \$ 103,708 | \$ 94,500 |
| Audit Related Fees-McGladrey and Pullen, LLP | 23,668 | 10,000 |
| Tax Fees-RSM McGladrey, Inc. (1) | 12,000 | 13,000 |
| Total | \$ 139,376 | \$ 117,500 |

(1) Consists of professional services rendered by a company aligned with our principal accountant for tax compliance and tax advice.

Audit Fees: The Company recorded fees of \$103,708 and \$94,500, respectively, in connection with its audit of the Company's financial statements for the fiscal years ended October 31, 2010 and 2009 and its review of the Company's interim financial statements included in the Company's Quarterly Reports on Form 10-Q for the periods ended January 31, April 30, and July 31.

Audit-Related Fees: The Company recorded fees of \$23,668 and \$10,000, respectively, in connection with audit-related services for the fiscal year ended October 31, 2010 and 2009, primarily for review of comments to the Securities and Exchange Commission in its review of securities registration documents and the Company's replies and for assistance with private placement memorandums and other document reviews.

Tax Fees: The Company recorded fees of \$12,000 and \$13,000, respectively, in connection with tax fees for the fiscal year ended October 31, 2010 and 2009, primarily due to RSM McGladrey, Inc. amending and preparing the Company's tax returns. The Company engaged RSM McGladrey, Inc. to amend and prepare the Company's 2009 tax returns and amend years 2008, and 2007.

All Other Fees: No fees were classified outside the recorded Audit, Audit Related and Tax fees.

The Audit Committee will pre-approve all auditing services and the terms thereof (which may include providing comfort letters in connection with securities underwriting) and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company

Accounting Oversight Board) to be provided to us by the independent auditor; provided, however, the pre-approval requirement is waived with respect to the provisions of non-audit services for us if the "de minimus" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. This authority to pre-approve non-audit services may be delegated to one or more members of the Audit Committee, who shall present all decisions to pre-approve an activity to the full Audit Committee at its first meeting following such decision. The Audit Committee may review and approve the scope and staffing of the independent auditors' annual audit plan.

PART IV

Item 15: Exhibits, Financial Statements Schedules.

See Index of Exhibits below. The Exhibits are filed with or incorporated by reference in this report.

** Filed herewith

(a) Exhibits. The following exhibits are included herein or incorporated herein by reference.

| Exhibit Number | Description of Exhibit |
|-------------------|--|
| 23.1** | Consent of McGladrey & Pullen, LLP. |
| 31.1** | Certification of Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2** | Certification of Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1** | Certification of Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2** | Certification of Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in North Brunswick, Middlesex County, State of New Jersey, on this 25th day of February, 2011.

ADVAXIS, INC.

By: /s/ Thomas Moore
Thomas Moore, Chief Executive Officer and Chairman
of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

| SIGNATURE | TITLE | DATE |
|--|---|-------------------|
| /s/ Thomas Moore Thomas Moore | Chief Executive Officer and Chairman of the Board (Principal Executive Officer) | February 25, 2011 |
| /s/ Mark J. Rosenblum Mark J. Rosenblum | Chief Financial Officer, Senior Vice President and Secretary (Principal Financial and Accounting Officer) | February 25, 2011 |
| * John M. Rothman | Executive Vice President of Science and Operations (Chief Operating Officer) | February 25, 2011 |
| * Roni Appel | Director | February 25, 2011 |
| * Thomas McKearn | Director | February 25, 2011 |
| * James Patton | Director | February 25, 2011 |
| * Richard Berman | Director | February 25, 2011 |

* By the signature set forth below, the undersigned, pursuant to the duly authorized power of attorney filed with the SEC, has signed this Amendment to the Annual Report on behalf of the person indicated.

/s/ Mark J.
Rosenblum
Mark J.
Rosenblum

ADVAXIS, INC.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Advaxis, Inc.
North Brunswick, New Jersey

We have audited the accompanying balance sheets of Advaxis, Inc. as of October 31, 2010 and 2009, and the related statements of operations, stockholders' equity (deficiency), and cash flows for the years then ended and for the cumulative period from March 1, 2002 (inception) to October 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advaxis, Inc. as of October 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and the cumulative period from March 1, 2002 (inception) to October 31, 2010 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, 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. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ McGLADREY & PULLEN, LLP
McGLADREY & PULLEN, LLP

New York, New York
January 31, 2011, except for the last paragraph of Note 13 for which the date is February 16, 2011

ADVAXIS, INC.
(A Development Stage Company)
Balance Sheet

| | October 31, 2010 | October 31, 2009 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 108,381 | \$ 659,822 |
| Grant Receivable | 244,479 | - |
| Prepaid expenses | 38,511 | 36,445 |
| Total Current Assets | 391,371 | 696,267 |
| Deferred expenses | 233,322 | 288,544 |
| Property and Equipment (net of accumulated depreciation) | 28,406 | 54,499 |
| Intangible Assets (net of accumulated amortization) | 2,125,991 | 1,371,638 |
| Deferred Financing Cost | - | 299,493 |
| Other Assets | 96,096 | 3,876 |
| TOTAL ASSETS | \$2,875,186 | \$2,714,317 |
| LIABILITIES AND SHAREHOLDERS' DEFICIENCY | | |
| Current Liabilities: | | |
| Accounts payable | \$2,586,008 | \$2,368,716 |
| Accrued expenses | 647,125 | 917,250 |
| Convertible Bridge Notes and fair value of embedded derivative | 751,456 | 2,078,851 |
| Notes payable – current portion, including interest payable | 687,034 | 1,121,094 |
| Total Current Liabilities | 4,671,623 | 6,485,911 |
| Common Stock Warrant | 13,006,194 | 11,961,734 |
| Total Liabilities | 17,677,817 | 18,447,645 |
| Shareholders' Deficiency: | | |
| Preferred stock, \$0.001 par value; 5,000,000 shares authorized; Series B Preferred Stock; issued and outstanding 789 at October 31, 2010 and 0 at October 31, 2009. Series A Preferred Stock; issued and outstanding 0 at October 31, 2010 and 0 at October 31, 2009 | | - |
| Common Stock - \$0.001 par value; authorized 500,000,000 shares, issued and outstanding 198,100,817 in 2010 and 115,638,243 in 2009 | 198,101 | 115,638 |
| Additional Paid-In Capital | 23,074,978 | 754,834 |
| Stock Subscription Receivable | (10,659,710) | |
| Deficit accumulated during the development stage | (27,416,000) | (16,603,800) |
| Total Shareholders' Deficiency | (14,802,631) | (15,733,328) |
| TOTAL LIABILITIES & SHAREHOLDERS' DEFICIENCY | \$2,875,186 | \$2,714,317 |

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

ADVAXIS, INC.
(A Development Stage Company)
Statement of Operations

| | Year Ended October 31, 2010 | Year Ended October 31, 2009 | Period from March 1, 2002 (Inception) to October 31, 2010 |
|---|-----------------------------------|-----------------------------------|---|
| Revenue | \$508,481 | \$29,690 | \$ 1,863,343 |
| Research & Development Expenses | 4,904,298 | 2,315,557 | 15,077,839 |
| General & Administrative Expenses | 3,530,198 | 2,701,133 | 16,239,898 |
| Total Operating expenses | 8,434,496 | 5,016,690 | 31,317,737 |
| Loss from Operations | (7,926,015) | (4,987,000) | (29,454,394) |
| Other Income (expense): | | | |
| Interest expense | (3,814,863) | (851,008) | (5,750,354) |
| Other Income | 80,161 | | 326,618 |
| Gain on note retirement | 123,963 | - | 1,656,440 |
| Net changes in fair value of common stock warrant liability and embedded derivative liability | 445,576 | 5,845,229 | 4,648,573 |
| Net Income/(Loss) before income tax benefit | (11,091,178) | 7,221 | (28,573,117) |
| Income Tax Benefit | 278,978 | 922,023 | 1,201,001 |
| Net Income/(Loss) | (10,812,200) | 929,244 | (27,372,116) |
| Dividends attributable to preferred shares | - | - | 43,884 |
| Net Income/(Loss) applicable to Common Stock | \$(10,812,200) | \$929,244 | \$ (27,416,000) |
| Net Income/(Loss) per share, basic | \$(0.07) | \$0.01 | |
| Net Income/(Loss) per share, diluted | \$(0.07) | \$0.01 | |
| Weighted average number of shares outstanding, basic | 150,928,808 | 113,365,584 | |
| Weighted average number of shares outstanding, diluted | 150,928,808 | 118,264,246 | |

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

ADVAXIS, INC.
(a development stage company)
STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIENCY)
Period from March 1, 2002 (inception) to October 31, 2010

| | Preferred Stock | | Common Stock | | Stock | Deficit | | Shareholders' |
|---|-----------------|------------|------------------|----------|--------------|------------------|----------------|---------------------|
| | Number of | Amount | Number of shares | Amount | Subscription | Additional Paid- | During the | Equity (Deficiency) |
| | Shares of | | of outstanding | | Receivable | in Capital | Development | |
| | Outstanding | | Amount | | | | Stage | |
| Preferred stock issued | 3,418 | \$235,000 | | | | | | \$235,000 |
| Common Stock Issued | | | 40,000 | \$40 | | | | \$(40) |
| Options granted to consultants & professionals | | | | | | 10,493 | | \$10,493 |
| Net Loss | | | | | | | (166,936) | \$(166,936) |
| Retroactive restatement to reflect re-capitalization on Nov. 12, 2004 | (3,481) | (235,000) | 15,557,723 | 15,558 | | 219,442 | | |
| Balance at December 31, 2002 | | | 15,597,723 | \$15,598 | | \$229,895 | \$(166,936) | \$78,557 |
| Note payable converted into preferred stock | 232 | 15,969 | | | | | | \$15,969 |
| Options granted to consultants and professionals | | | | | | 8,484 | | \$8,484 |
| Net loss | | | | | | | (909,745) | \$(909,745) |
| Retroactive restatement to reflect re-capitalization on Nov. 12, 2004 | (232) | (15,969) | | | | 15,969 | | |
| Balance at December 31, 2003 | | | 15,597,723 | \$15,598 | | \$254,348 | \$(1,076,681) | \$(806,735) |
| Stock dividend on preferred stock | 638 | 43,884 | | | | | (43,884) | |
| Net loss | | | | | | | (538,076) | \$(538,076) |

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| | | | | | |
|---|--------|------------|----------|------------|-----------------------------|
| Options granted to consultants and professionals | | | 5,315 | | 5,315 |
| Retroactive restatement to reflect re-capitalization on Nov. 12, 2004 | (638) | (43,884) | 43,884 | | |
| Balance at October 31, 2004 | | 15,597,723 | \$15,598 | \$303,547 | \$(1,658,641) \$(1,339,496) |
| Common Stock issued to Placement Agent on re-capitalization | | 752,600 | 753 | (753) | |
| Effect of re-capitalization | | 752,600 | 753 | (753) | |
| Options granted to consultants and professionals | | | | 64,924 | 64,924 |
| Conversion of Note payable to Common Stock | | 2,136,441 | 2,136 | 611,022 | 613,158 |
| Issuance of Common Stock for cash, net of shares to Placement Agent | | 17,450,693 | 17,451 | 4,335,549 | 4,353,000 |
| Issuance of common stock to consultants | | 586,970 | 587 | 166,190 | 166,777 |
| Issuance of common stock in connection with the registration statement | | 409,401 | 408 | 117,090 | 117,498 |
| Issuance costs | | | | (329,673) | (329,673) |
| Net loss | | | | | (1,805,789) (1,805,789) |
| Restatement to reflect re-capitalization on Nov. 12, 2004 including cash paid of \$44,940 | | | | (88,824) | (88,824) |

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| | | | | | |
|--|------------|----------|-------------|---------------|-------------|
| Balance at October 31, 2005 | 37,686,428 | \$37,686 | \$5,178,319 | \$(3,464,430) | \$1,751,575 |
| Options granted to consultants and professionals | | | 172,831 | | 172,831 |
| Options granted to employees and directors | | | 71,667 | | 71,667 |
| Conversion of debenture to Common Stock | 1,766,902 | 1,767 | 298,233 | | 300,000 |
| Issuance of Common Stock to employees and directors | 229,422 | 229 | 54,629 | | 54,858 |

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| | | | | | |
|--|-------------|-----------|--------------|-----------------|--------------|
| Issuance of common stock to consultants | 556,240 | 557 | 139,114 | | 139,674 |
| Net loss | | | | (6,197,744) | (6,197,744) |
| Balance at October 31, 2006 | 40,238,992 | 40,239 | 5,914,793 | (9,662,173) | (3,707,141) |
| Common Stock issued | 59,228,334 | 59,228 | 9,321,674 | | 9,380,902 |
| Offering Expenses | | | (2,243,535) | | (2,243,535) |
| Options granted to consultants and professionals | | | 268,577 | | 268,577 |
| Options granted to employees and directors | | | 222,501 | | 222,501 |
| Conversion of debenture to Common Stock | 6,974,202 | 6,974 | 993,026 | | 1,000,010 |
| Issuance of Common Stock to employees and directors | 416,448 | 416 | 73,384 | | 73,800 |
| Issuance of common stock to consultants | 1,100,001 | 1,100 | 220,678 | | 221,778 |
| Warrants issued on conjunction with issuance of common stock | | | 1,505,550 | | 1,505,550 |
| Net loss | | | | (2,454,453) | (2,454,453) |
| Balance at October 31, 2007 | 107,957,977 | \$107,957 | \$16,276,648 | \$ (12,116,626) | \$4,267,979 |
| Common Stock Penalty Shares | 211,853 | 212 | 31,566 | - | 31,778 |
| | | | (78,013) | | (78,013) |

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| | | | | | |
|---|-------------|------------|---------------|-----------------|--------------|
| Offering Expenses | | | | | |
| Options granted to consultants and professionals | | | (42,306) | | (42,306) |
| Options granted to employees and directors | | | 257,854 | | 257,854 |
| Issuance of Common Stock to employees and directors | 995,844 | 996 | 85,005 | | 86,001 |
| Issuance of common stock to consultants | 153,846 | 154 | 14,462 | | 14,616 |
| Warrants issued to consultant | | | 39,198 | | 39,198 |
| Net loss | | | | (5,416,418) | (5,416,418) |
| Balance at October 31, 2008 | 109,319,520 | \$ 109,319 | \$ 16,584,414 | \$ (17,533,044) | \$(839,311) |
| Common stock issued upon exercise of warrants | 3,299,999 | 3,300 | (3,300) | | 0 |
| Warrants classified as a liability | | | (12,785,695) | | (12,785,695) |
| Issuance of common Stock Warrants | | | (3,587,625) | | (3,587,625) |
| Options granted to professionals and consultants | | | 12,596 | | 12,596 |
| Options granted to employees and directors | | 0 | 467,304 | | 467,304 |
| Issuance of common | 422,780 | 423 | 17,757 | | 18,180 |

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| | | | | | | | |
|---|-----|-------------|-------------|--------------|-----------------|-----------------|-----------------|
| stock to employees and directors | | | | | | | |
| Issuance of common stock to consultants | | 2,595,944 | 2,596 | | 49,383 | | 51,979 |
| Net Income/ (Loss) | | | | | | 929,244 | 929,244 |
| Balance at October 31, 2009 | | 115,638,243 | \$ 115,638 | | \$ 754,834 | \$ (16,603,800) | \$(15,733,328) |
| Preferred Stock issued | 789 | - | | | 6,828,293 | | 6,828,293 |
| Common stock issued upon exercise of warrants | | 62,265,059 | 62,265 | (10,659,710) | 18,647,522 | | 8,050,077 |
| Options granted to employees and directors | | | | | 455,166 | | 455,166 |
| Common stock issued upon conversion of Bridge Notes | | 15,413,960 | 15,414 | | 3,306,677 | | 3,322,091 |
| Common stock issued to Numoda | | 3,500,000 | 3,500 | | 591,500 | | 595,000 |
| Common stock issued to University of Pennsylvania | | 388,889 | 389 | | 69,611 | | 70,000 |
| Common stock issued to employees and directors | | 750,000 | 750 | | 114,750 | | 115,500 |
| Common stock issued to former employees | | 144,666 | 145 | | (145) | | - |
| Issuance of common stock warrants | | | | | (7,693,230) | | (7,865,520) |
| Net Income/ (Loss) | | | | | | (10,812,200) | (10,812,200) |
| | 789 | - | 198,100,817 | \$ 198,101 | \$ (10,659,710) | \$ 23,074,978 | \$ (27,416,000) |
| | | | | | | | \$(14,802,631) |

Balance at
October 31,
2010

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

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ADVAXIS, INC.
(A Development Stage Company)
Statement of Cash Flows

| | Year ended October 31, 2010 | Year ended October 31, 2009 | Period from March 1 2002 (Inception) to October 31, 2010 |
|--|-----------------------------------|-----------------------------------|---|
| OPERATING ACTIVITIES | | | |
| Net Income (Loss) | \$ (10,812,200) | \$ 929,244 | \$ (27,372,116) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | | |
| Non-cash charges to consultants and employees for options and stock | 570,664 | 571,525 | 3,005,419 |
| Amortization of deferred financing costs | - | - | 260,000 |
| Amortization of deferred expenses | 212,952 | 61,456 | 274,408 |
| Amortization of discount on Bridge Loans | 550,040 | 123,846 | 673,886 |
| Impairment of intangible assets | - | - | 26,087 |
| Non-cash interest expense | 3,238,054 | 698,650 | 4,464,520 |
| (Gain) Loss on change in value of warrants and embedded derivative | (445,576) | (5,845,229) | .(4,648,573) |
| Warrant Expense | 206,275 | - | 206,275 |
| Value of penalty shares issued | - | - | 149,276 |
| Depreciation expense | 38,528 | 36,648 | 167,266 |
| Amortization expense of intangibles | 100,420 | 74,508 | 462,352 |
| Gain on note retirement | (123,963) | - | (1,656,440) |
| (Increase) decrease in prepaid expenses | (2,066) | 2,417 | (38,510) |
| (Increase) decrease in grant receivable | (244,479) | - | (244,479) |
| Decrease (increase) in other assets | (89,956) | - | (93,833) |
| Increase in accounts payable | 388,924 | 1,421,838 | 3,167,193 |
| (Decrease) increase in accrued expenses | 167,143 | (109,540) | 634,761 |
| (Decrease) increase in interest payable | (178,700) | - | (160,409) |
| Net cash used in operating activities | (6,423,940) | (2,034,636) | (20,722,917) |
| INVESTING ACTIVITIES | | | |
| Cash paid on acquisition of Great Expectations | - | - | (44,940) |
| Purchase of property and equipment | (12,436) | - | (150,093) |
| Cost of intangible assets | (854,773) | (308,749) | (2,619,382) |
| Net cash used in Investing Activities | (867,209) | (308,749) | (2,814,415) |
| FINANCING ACTIVITIES | | | |
| Proceeds from convertible secured debenture | 80,000 | - | 1,040,000 |
| Cash paid for deferred financing costs | - | (299,493) | (559,493) |
| Proceeds from notes payable | 1,255,000 | 3,259,635 | 6,260,859 |
| Payment on notes payable | (1,798,119) | (16,672) | (1,921,710) |
| Net proceeds of issuance of Preferred Stock | 7,032,827 | - | 7,267,827 |
| Payment on cancellation of Warrants | - | - | (600,000) |
| Proceeds from the exercise of warrants | 170,000 | - | 170,000 |
| Net proceeds of issuance of Common Stock | - | - | 11,988,230 |
| Net cash provided by Financing Activities | 6,739,708 | 2,943,469 | 23,645,713 |
| Net increase (decrease) in cash | (551,441) | 600,084 | 108,381 |

| | | | |
|-----------------------------|------------|------------|------------|
| Cash at beginning of period | 659,822 | 59,738 | - |
| Cash at end of period | \$ 108,381 | \$ 659,822 | \$ 108,381 |

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

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Supplemental Schedule of Noncash Investing and Financing Activities

| | Year ended October 31, 2010 | Year ended October 31, 2009 | Period from March 1, 2002 (Inception) to October 31, 2010 |
|---|-----------------------------------|-----------------------------------|---|
| 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 | \$ 51,978 |
| Notes payable and embedded derivative liabilities converted to Common Stock | \$ 3,322,092 | \$ - | \$ 5,835,250 |
| Intangible assets acquired with notes payable | \$ | \$ - | \$ 360,000 |
| Intangible assets acquired with common stock | \$ 70,000 | \$ | \$ 70,000 |
| Debt discount in connection with recording the original value of the embedded derivative liability | \$ 578,770 | \$ 1,579,646 | \$ 2,661,212 |
| Allocation of the original secured convertible debentures to warrants | \$ | \$ - | \$ 214,950 |
| Allocation of the warrants on Bridge Notes as debt discount | \$ 712,036 | \$ 940,511 | \$ 1,652,547 |
| Note Receivable in connection with the exercise of warrants | \$ 10,659,710 | \$ | \$ 10,659,710 |
| Warrants issued in connection with issuance of Common Stock | \$ | \$ - | \$ 1,505,550 |
| Warrants issued in connection with issuance of Preferred Stock | \$ | \$ 3,587,625 | \$ 3,587,625 |

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

ADVAXIS, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

1. PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advaxis, Inc. (the "Company") was incorporated in 2002 and is a biotechnology company researching and developing new cancer-fighting techniques. The Company is in the development stage and its operations are subject to all of the risks inherent in an emerging business enterprise.

The preparation of financial statements in accordance with 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 these estimates.

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 which raises substantial doubt about our ability to continue as a going concern. 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 activity. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. There is a working capital deficiency and recurring losses that raise substantial doubt about its ability to continue as a going concern. The financial statement does not include any adjustments to the carrying amount and classification of recorded assets and liabilities should we be unable to continue operations.

Revenue from license fees and grants is recognized when the following criteria are met; persuasive evidence of an arrangement exists, services have been rendered, the contract price is fixed or determinable, and collectability 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 and through October 31, 2010 all of the Company's revenues have been from grants. For the years ended October 31, 2010 and 2009, all of the Company's revenues were received from multiple 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.

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

Equipment is stated at cost. Depreciation and amortization are provided for on a straight-line basis over the estimated useful life of the asset ranging from 3 to 5 years. Expenditures for maintenance and repairs that do not materially extend the useful lives of the respective assets are charged to expense as incurred. The cost and accumulated

depreciation and/or amortization of assets retired or sold are removed from the respective accounts and any gain or loss is recognized in operations.

Intangible assets, which consist primarily of legal and filing costs in obtaining patents and licenses and are being amortized on a straight-line basis over 20 years.

We review our long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset might not be recoverable and its carrying amount exceeds its fair value, which is based upon estimated undiscounted future cash flows. Net assets recorded on the balance sheet for patents and licenses related to ADXS11-001, ADXS31-142, ADXS31-164 and other products are in development. However, if a competitor were to gain FDA approval for a treatment before us or if future clinical trials fail to meet the targeted endpoints, we would likely record an impairment related to these assets. In addition, if an application is rejected or fails to be issued we would record an impairment of its estimated book value.

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Net Loss Per Share

Basic net income or basic net loss per common share is computed by dividing net income 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. The warrants (excluding approximately 15.8 million warrants held by an affiliate of Optimus (as defined below) include anti-dilutive provisions to adjust the number and price of the warrants based on certain types of equity transactions.

| | As of October 31, | |
|--|-------------------|-------------|
| | 2010 | 2009 |
| Warrants | 103,139,628 | 127,456,301 |
| Stock Options | 26,467,424 | 7,881,591 |
| Convertible Debt (using the if-converted method) | 4,358,176 | 49,749,280 |
| Total | 133,965,228 | 185,087,172 |

Income Taxes

Deferred income taxes are provided for the differences between the bases of assets and liabilities for financial reporting and income tax purposes. Future ownership changes may limit the future utilization of these net operating loss and research and development tax credit carry-forwards as defined by the Internal Revenue Code. The amount of any potential limitation is unknown. The net deferred tax asset has been fully offset by a valuation allowance due to our history of taxable losses and uncertainty regarding our ability to generate sufficient taxable income in the future to utilize these deferred tax assets.

Accounts payable consists entirely of trade accounts payable

Research and Development Expenses

Research and development expenses include, but are not limited to, payroll and personnel expenses, lab expenses, clinical trial and related clinical manufacturing costs, facilities and related overhead costs.

Accounting for Stock-Based Compensation

Stock-based compensation is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton option-pricing model (hereinafter referred to as the "BSM model") and is recognized as expense over the requisite service period. The BSM model requires various assumptions including volatility, forfeiture rates and expected option life. If any of the assumptions used in the BSM model change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period. See Note 5 for information on stock-based compensation expense incurred in the years ending October 31, 2010 and 2009.

Warrant Liability/Embedded Derivative Liability

The Company has outstanding Warrants and convertible features (Embedded Derivatives) in its outstanding Senior and Junior Subordinated Promissory Notes. We refer to all Senior Convertible Promissory Notes and Junior

Subordinated Convertible Promissory Notes as “Bridge Notes”. The Warrants and Embedded Derivatives are recorded at their relative fair values at issuance and will continue to be recorded at fair value each subsequent balance sheet date. Any change in value between reporting periods will be recorded at each reporting date. Both derivatives will continue to be reported until such time as they are exercised, expire, or mature at which time these derivatives will be adjusted to fair value and reclassified from liabilities to equity.

In April 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-17, Revenue Recognition—Milestone Method (Topic 605) - Milestone Method of Revenue Recognition - a consensus of the FASB Emerging Issues Task Force . This ASU provides guidance to vendors on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. This guidance is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company has not yet begun to generate revenues that contain milestone payments, as it is still a pre-revenue, development stage company. ASU 2010-17 will be reviewed and implemented, if applicable to the company’s revenue arrangements, in the fiscal year in which the company begins to generate revenues.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. SHARE-BASED COMPENSATION EXPENSE

The Company adopted ASC 718 and uses the modified prospective transition method, which requires the application of the accounting standard as of November 1, 2005, the first day of the Company's fiscal year 2006. In accordance with the modified prospective transition method, the Company's Financial Statements for prior periods were not restated to reflect, and do not include the impact of ASC 718. The Company began recognizing expense in an amount equal to the fair value of share-based payments (stock option awards) on their date of grant, over the requisite service period of the awards (usually the vesting period). Under the modified prospective method, compensation expense for the Company is recognized for all share based payments granted and vested on or after November 1, 2005 and all awards granted to employees prior to November 1, 2005 that were unvested on that date but vested in the period over the requisite service periods in the Company's Statement of Operations. Prior to the adoption of the fair value method, the Company accounted for stock-based compensation to employees under the intrinsic value method of accounting set forth in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. Therefore, compensation expense related to employee stock options was not reflected in operating expenses in any period prior to the fiscal year of 2006 and prior period results have not been restated. Since the date of inception to October 31, 2005 had the Company adopted the fair value based method of accounting for stock-based employee compensation under the provisions of ASC 718, Stock Compensation expense would have totaled \$328,176 and the effect on the Company's net loss would have been as follows for the period March 1, 2002 (date of inception) to October 31, 2010:

| | March 1, 2002 (date of inception) to October 31, 2010 |
|---|---|
| Net Loss as reported | \$ (27,372,116) |
| Add: Stock based option expense included in recorded net loss | 89,217 |
| Deduct stock option compensation expense determined under fair value based method | (328,176) |
| Adjusted Net Loss | \$ (27,611,075) |

The fair value of each option granted from the Company's stock option plans during the years ended October 31, 2010 and 2009 was estimated on the date of grant using the Black-Scholes option-pricing model. Using this model, fair value is calculated based on assumptions with respect to (i) expected volatility of the Company's Common Stock price, (ii) the periods of time over which employees and Board Directors are expected to hold their options prior to exercise (expected lives), (iii) expected dividend yield on the Company's Common Stock, and (iv) risk-free interest rates, which are based on quoted U.S. Treasury rates for securities with maturities approximating the options' expected lives. The company used their own historical volatility in determining the volatility to be used. Expected lives are based on contractual terms given the early stage of the business and lack of intrinsic value. The expected dividend yield is zero as the Company has never paid dividends to common shareholders and does not currently anticipate paying any in the foreseeable future.

| | Year Ended October 31, 2010 | | Year Ended October 31, 2009 | |
|-------------------------|-----------------------------------|---|-----------------------------------|---|
| Expected volatility | 156.5 | % | 170.2 | % |
| Expected Life | 10.0 years | | 6.0 years | |
| Dividend yield | 0 | | 0 | |
| Risk-free interest rate | 2.75 | % | 3.5 | % |

Stock-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that vested during the period. Stock-based compensation expense for the twelve months ended October 31, 2010 includes compensation expense for share-based payment awards granted prior to, but not yet vested as of October 31, 2005 based on the grant date fair value and compensation expense for the share-based payment awards granted subsequent to October 31, 2005 based on the grant date fair value estimated in accordance with the provisions of ASC 718. Compensation expense for all share-based payment awards to be recognized using the straight line method over the requisite service period. As stock-based compensation expense for the fiscal years 2010 and 2009 is based on awards granted and vested, it has been reduced for estimated forfeitures (4.4%). ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS 123 for the periods prior to fiscal 2006, the Company accounted for forfeitures as they occurred.

The Company accounts for nonemployee stock-based awards in which goods or services are the consideration received for the equity instruments issued based on the fair value of the equity instruments.

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3. INTANGIBLE ASSETS

Intangible assets primarily consist of legal and filing costs associated with obtaining patents and licenses. The license and patent costs capitalized primarily represent the value assigned to the Company's 20-year exclusive worldwide license agreement with Penn which are amortized on a straight-line basis over their remaining useful lives which are estimated to be twenty years from the effective date of Penn Agreement dated July 1, 2002. The value of the license and patents are based on management's assessment regarding the ultimate recoverability of the amounts paid and the potential for alternative future uses. This license now includes the exclusive right to exploit 32 patents issued and 33 patents pending and applied for in most of the largest markets in the world.

As of October 31, 2010, all gross capitalized costs associated with the licenses and patents filed and granted as well as costs associated with patents pending are \$2,506,347 as shown under license and patents on the table below. 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 other patent applications with future value were abandoned and charged to expense in the current or prior year. Amortization expense for licensed technology and capitalized patent cost is included in general and administrative expenses.

Under the amended and restated agreement we are billed actual patent expenses as they are passed through from Penn and or billed directly from our patent attorney. The following is a summary of intangible assets as of the end of the following fiscal periods:

| | October 31, 2010 | October 31, 2009 |
|--------------------------|---------------------|---------------------|
| License | \$ 651,992 | \$ 571,275 |
| Patents | 1,854,355 | 1,080,299 |
| Total intangibles | 2,506,347 | 1,651,574 |
| Accumulated Amortization | (380,356) | (279,936) |
| Intangible Assets | \$ 2,125,991 | \$ 1,371,638 |

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition exceeds its carrying amount. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value.

4. ACCRUED EXPENSES:

The following table represents the major components of accrued expenses:

| | October 31, 2010 | October 31, 2009 |
|---------------------------------|---------------------|---------------------|
| Salaries and other compensation | \$ 500,927 | \$ 768,552 |
| Sponsored Research Agreement | 119,698 | 119,698 |
| Consultants | 18,000 | 29,000 |
| Other | 8,500 | - |
| | \$ 647,125 | \$ 917,250 |

5. NOTES PAYABLE:

Moore Notes

On September 22, 2008, Advaxis entered into an agreement (the “Moore Agreement”) with the Company’s Chief Executive Officer, Thomas Moore, pursuant to which the Company agreed to sell senior promissory notes to Mr. Moore, from time to time (“the Moore Notes”). On June 15, 2009, Mr. Moore and the Company amended the Moore Notes to increase the amounts available pursuant to the Moore Agreement from \$800,000 to \$950,000 and changed the maturity date of the Moore Notes from June 15, 2009 to the earlier of (i) default under the terms of the Moore Agreement or (ii) the Company’s next equity financing resulting in gross proceeds to the Company of at least \$6 million. The Moore Agreement was amended per the terms of the June 18, 2009 Note Purchase Agreement (described below) retroactively to include the same warrant provision provided to investors purchasing notes under the Note Purchase Agreement.

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On February 15, 2010, we agreed to amend the terms of the Moore Notes such that (i) Mr. Moore may elect, at his option, to receive accumulated interest thereon on or after March 17, 2010, (ii) we would begin to make monthly installment payments of \$100,000 on the outstanding principal amount beginning on April 15, 2010; provided, however, that the balance of the principal will be repaid in full on consummation of our next equity financing resulting in gross proceeds to us of at least \$6.0 million and (iii) we would retain \$200,000 of the repayment amount for investment in our next equity financing.

The Company issued 1,176,471 shares in satisfaction of \$200,000 of the aggregate principal amount outstanding under the Moore Notes. For the twelve months ending October 31, 2010, the Company paid Mr. Moore \$250,000 in principal and \$130,000 in interest. As of October 31, 2010, the Company was not in default under the terms of the Moore Agreement.

Senior Convertible Promissory Notes

Effective June 18, 2009, the Company entered into a Note Purchase Agreement with certain accredited investors, pursuant to which such investors acquired senior convertible promissory notes of the Company in the aggregate principal face amount of \$1,131,353, for an aggregate net purchase price of \$961,650. At October 31, 2010, the Company had repaid \$1,042,529 of these notes and \$88,824 in principal value remained outstanding.

Junior Subordinated Convertible Promissory Notes

Additionally, during October 2009, the company entered into Bridge Note agreements whereby certain accredited investors acquired junior subordinated convertible promissory in the aggregate face amounts of approximately \$2.1 million for aggregate net purchase prices of approximately \$1.8 million. As of October 31, 2010, all of these October 2009 Bridge Notes had been repaid or converted into the Company's common stock as described below.

During the year ended October 31, 2010, we issued to certain accredited investors (i) junior unsecured convertible promissory notes in the aggregate principal face amount of approximately \$1,462,000 for an aggregate net purchase price of approximately \$1,255,000 and (ii) warrants to purchase 3,270,955 shares of our common stock at original exercise prices ranging from \$0.17 to \$0.25 per share, subject to adjustments upon the occurrence of certain events. As a result of the latest round of equity financing with Optimus in September 2010, under the Series B Preferred Stock Purchase Agreement (see Note 11 – Shareholders' Equity), the Company issued an additional 616,136 warrants to these bridge note holders due to a decrease in the exercise price of their warrants, to \$0.15 per share. The company recognized non-cash warrant expense in the income statement for all additional warrants issued to bridge note holders as a result of the above equity financing (See Note 6 for additional information). The bridge notes were issued with original issue discounts ranging from 6% to 18% and are convertible into shares of our common stock. These notes mature on or before May 31, 2011.

During the twelve months ended October 31, 2010, the company repaid a total of approximately \$1,542,000 in principal value and converted \$2,420,000 in principal value into 14,237,489 shares of our common stock. At October 31, 2010, approximately \$777,000 in principal value remains and is classified as a current liability on the balance sheet. The indebtedness represented by these bridge notes is expressly subordinate to our currently outstanding senior secured indebtedness (approximately \$89,000 at October 31, 2010).

As of October 31, 2010, all Bridge Notes were originally issued with an original issue discounts ranging from 6% to 18%. Each Investor paid between \$0.82 and \$.94 for each \$1.00 of principal amount of notes purchased at the closing. The bridge notes are convertible into shares of the Company's common stock at an exercise price contingent on the completion of an equity financing. As a result of the latest round of equity financing with Optimus in September 2010, under the Series B Preferred Stock Purchase Agreement (see Note 11 – Shareholders' Equity), all the outstanding bridge

notes, at October 31, 2010, are convertible into shares of the Company's common stock at an exercise price of \$0.15 per share. For every dollar invested, each Investor received warrants to purchase 2 ½ shares of common stock (the "Bridge Warrants") subject to adjustments upon the occurrence of certain events as more particularly described below and in the form of Warrant. As of October 31, 2010 all Bridge Note warrants have an exercise price of \$.15 per share. The Bridge Notes may be prepaid in whole or in part at the option of the Company without penalty at any time prior to the Maturity Date. The warrants may be exercised on a cashless basis under certain circumstances.

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We refer to all Senior Convertible Promissory Notes and Junior Subordinated Convertible Promissory Notes as “Bridge Notes”. Activity related to the Bridge Notes from issuance is as follows:

| | |
|--|--------------|
| Bridge Note – Principal Value - Issued | \$ 4,740,058 |
| Principal payments on Bridge Notes | (1,542,531) |
| Bridge Note Conversions | (2,420,373) |
| Original Issue Discount, net of accreted interest | (21,937) |
| Fair Value of Attached Warrants at issuance | (1,652,547) |
| Fair Value of Embedded Derivatives at issuance | (2,158,689) |
| Accreted interest on embedded derivative and warrant liabilities | 3,726,446 |
| Convertible Bridge Notes- as of October 31, 2010 | \$ 670,428 |
| Embedded Derivatives Liability at October 31, 2010 | 81,028 |
| Convertible Bridge Notes and fair value of embedded derivative | \$ 751,456 |

BioAdvance Note

BioAdvance Biotechnology Greenhouse of Southeastern Pennsylvania Notes (“BioAdvance”) received notes from the Company for \$10,000 dated November 13, 2003 and \$40,000 dated December 17, 2003 that were each due on the fifth anniversary date thereof. During November 2009, the Company paid \$14,788 in full payment of the November 13, 2003 note and BioAdvance agreed to extend the remaining note. During the twelve months ending October 31, 2010, the Company paid \$10,000 in accrued interest on the remaining note. As of October 31, 2010, the Company owes approximately \$40,000 in principal and \$11,000 in interest to BioAdvance. The terms of the outstanding note calls for accrual of 8% interest per annum on the unpaid principal.

6. DERIVATIVES

The table below lists the Company’s derivative instruments as of October 31, 2010:

| Description | Principal | Original Issue Discount | Warrant Liability | Embedded Derivative Liability |
|---|--------------|-------------------------|-------------------|-------------------------------|
| Bridge Note I-June 18, 2009 | \$ 1,131,353 | \$ 169,703 | \$ 250,392 | \$ 711,258 |
| Bridge Note II & III-October 26 & 30, 2009 | 2,147,059 | 322,059 | 690,119 | 868,388 |
| Optimus September 24, 2009 | - | - | 3,587,625 | - |
| Other outstanding warrants | - | - | 12,785,695 | - |
| Total Valuation at Origination | 3,278,412 | 491,762 | 17,313,831 | 1,579,646 |
| Change in fair value | - | - | (5,352,697) | (493,132) |
| Accreted interest | - | (123,846) | - | - |
| Total Valuation as of October 31, 2009 | \$ 3,278,412 | \$ 367,916 | \$ 11,961,734 | \$ 1,086,514 |
| Bridge Notes IV-December 1, 2009 through January 31, 2010 | 555,882 | 83,382 | 207,617 | 164,400 |
| Bridge Note I- Extension of Maturity Date | - | - | 202,500 | 103,400 |
| Change in fair value | - | - | 1,995,372 | (905,259) |
| Accreted interest | - | (225,321) | - | - |
| Exercise of Common Stock Warrants | - | - | (1,702,073) | - |
| Total Valuation as of January 31, 2010 | \$ 3,834,294 | \$ 225,977 | \$ 12,665,150 | \$ 449,055 |
| Bridge Note V | 640,307 | 97,807 | 229,619 | 271,554 |
| Change in fair value | - | - | 5,363,854 | 421,404 |

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| | | | | |
|--|-------------|-----------|---------------|------------|
| Accreted interest | - | (251,188) | - | - |
| Exercise of common stock warrants | - | - | (1,790,823) | - |
| Note Payoffs | (1,040,177) | (4,222) | - | (64,354) |
| Total Valuation as of April 30, 2010 | 3,434,424 | 68,374 | 16,467,800 | 1,077,659 |
| Issuance of Optimus Warrants | - | - | 6,856,946 | - |
| Bridge Note Conversions | (2,420,373) | - | - | (701,718) |
| Change in fair value | - | - | (3,866,801) | (260,843) |
| Accreted interest | - | (50,842) | - | - |
| Exercise of common stock warrants | - | - | (1,475,758) | - |
| Note Payoffs | (88,236) | | | (12,665) |
| Total Valuation as of July 31, 2010 | \$ 925,815 | \$ 17,532 | \$ 17,982,187 | \$ 102,433 |
| Bridge Note VI | 265,457 | 25,457 | 72,300 | 39,416 |
| Note Payoff | (414,118) | - | - | (46,945) |
| Issuance of Warrants | - | - | 1,042,559 | - |
| Accreted Interest | - | (21,052) | - | - |
| Exercise of Warrants | - | - | (4,156,797) | - |
| Change in FV | - | - | (1,934,055) | (13,876) |
| Total Valuation as of October 31, 2010 | \$ 777,154 | \$ 21,937 | \$ 13,006,194 | \$ 81,028 |

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Warrants

As of October 31, 2010, there were outstanding warrants to purchase 103,139,628 shares of our common stock with exercise prices ranging from \$0.15 to \$0.287 per share. Information on the outstanding warrants is as follows:

| Type | Exercise Price | Amount | Expiration Date | Type |
|-------------------------------|--------------------|-------------|-------------------------------|--|
| Common Stock Purchase Warrant | \$ 0.15 | 72,025,662 | February 2011 – October 2012 | 2007 Securities Purchase Agreement |
| Common Stock Purchase Warrant | \$ 0.15 | 14,813,851 | June 2014 – August 2015 | Bridge Notes |
| Common Stock Purchase Warrant | \$0.1952 - \$0.287 | 497,174 | February 2011 – February 2012 | Vendor & Other |
| | Subtotal | 87,336,687 | | |
| Common Stock Purchase Warrant | (1) | 15,802,941 | July 2013 | Optimus Preferred Stock Purchase Agreement (7/19/2010) |
| | Grand Total | 103,139,628 | | |

(1) For purposes of this warrant, exercise price means an amount per warrant share equal to the closing sale price of a share of common stock on the applicable tranche notice date.

Warrant Liability/Embedded Derivative Liability

The fair value of the Warrants and Embedded Derivatives are estimated using the BSM model. The fair value of the Warrants and Embedded Derivatives are estimated using an adjusted BSM model. The Company computes valuations, each quarter, using the BSM model for each derivative instrument to account for the various possibilities that could occur due to changes in the inputs to the BSM model as a result of contractually-obligated changes (for example, changes in strike price to account for down-round provisions). The Company effectively weights each calculation based on the likelihood of occurrence to determine the value of the derivative at the reporting date. As of October 31, 2010, the fair value of the Warrants and Embedded Derivatives were determined to be approximately \$13.0 million and \$81,000, respectively. As of October 31, 2009, the fair value of the Warrants and Embedded Derivatives were determined to be approximately \$12.0 million and \$1.0 million, respectively. We increased income approximately \$446,000 for net changes in the fair value of the common stock warrant liability and embedded derivative liability for year ending October 31, 2010. We increased income approximately \$5.8 million for net changes in the fair value of the common stock warrant liability and embedded derivative liability for year ending October 31, 2009.

The repricing (“ratchet effect”) of our warrants both in January and September 2010 also increased the company’s warrant liability for the year ending October 31, 2010. As a result of the increase in warrant liability due to the ratchet effect, the company issued approximately 21.8 million additional warrants to existing warrant holders. These warrants were recorded at their fair values at issuance and will continue to be recorded at fair value each subsequent balance sheet date. Any change in value between reporting periods will be recorded at each reporting date. These warrants will continue to be reported until such time as they are exercised, expire, or mature at which time these derivatives will be adjusted to fair value and reclassified from liabilities to equity. Of the total 21.8 million additional warrants, approximately 3.6 million warrants were issued to bridge note holders. The company recognized non-cash warrant expense of approximately \$206,000, for the year ending October 31, 2010, related to the fair value of the additional warrants issued to bridge note holders because they were not contractually obligated (no anti-dilution provisions in

their warrant agreements) to receive additional warrants due to ratchet effects.

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7. STOCK OPTIONS:

2004 Stock Option Plan

In November 2004, our board of directors adopted and stockholders approved the 2004 Stock Option Plan (“2004 Plan”). The 2004 Plan provides for the grant of options to purchase up to 2,381,525 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued, in addition to employees, to non-employee directors, and consultants. Except as determined by the Administrator at the time of the grant of the Options, a participant Options vest over four years, twenty-five percent of the granted amount on or after the first year anniversary of the date of the granting of an Options and the balance to vest an additional one twelfth of the Options granted for each additional three-month period following the first anniversary over a next three years.

The 2004 Plan is administered by “disinterested members” of the board of directors or the Compensation Committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market price value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

We must grant options under the 2004 Plan within ten years from the effective date of the 2004 Plan. The effective date of the Plan was November 12, 2004. Subject to a number of exceptions, holders of incentive stock options granted under the Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2004 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee’s options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares. As of October 31, 2010, 2,319,025 options were granted under the 2004 plan.

2005 Stock Option Plan

In June 2006, our board of directors adopted and stockholders approved on June 6, 2006, the 2005 Stock Option Plan (“2005 Plan”).

The 2005 Plan provides for the grant of options to purchase up to 5,600,000 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued to non-employee directors, consultants and others, as well as to our employees.

The 2005 Plan is administered by “disinterested members” of the board of directors or the compensation committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each

option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

We must grant options under the 2005 Plan within ten years from the effective date of the 2005 Plan. The effective date of the Plan was January 1, 2005. Subject to a number of exceptions, holders of incentive stock options granted under the 2005 Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2005 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee's options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares. As of October 31, 2010 there were 4,983,667 options granted under the 2005 plan.

On November 12, 2004, in connection with the recapitalization,(see Note 10), the options granted under the 2002 option plan were canceled, and employees and consultants were granted options of Advaxis under the 2004 plan. The cancellation and replacement had no accounting consequence since the aggregate intrinsic value of the options immediately after the cancellation and replacement was not greater than the aggregate intrinsic value immediately before the cancellation and replacement, and the ratio of the exercise price per share to the fair value per share was not reduced. Additionally, the original options were not modified to accelerate vesting or extend the life of the new options. The table provided in this Note 7 reflects the options on a post recapitalization basis.

2009 Stock Option Plan

Our board of directors adopted the 2009 Stock Option Plan (the “2009 Plan”), effective July 21, 2009, and was approved by our shareholders in June 2010. An aggregate of 20,000,000 shares (subject to adjustment by the compensation committee) are reserved for issuance upon the exercise of options granted under the plan. As of October 31, 2010, options to purchase 19,209,732 shares of our common stock have been granted under the 2009 Plan. The purpose of this plan is to, among other things, (i) comply with certain exclusions from the limitations of Section 162(m) of the Internal Revenue Code of 1986, which we refer to as the Code, and (ii) comply with the incentive stock options rules under Section 422 of the Code. The maximum number of shares of common stock to which options may be granted to any one individual under the 2009 Plan is 6,000,000 (subject to adjustment by the compensation committee).

A summary of the grants, cancellations and expirations (none were exercised) of the Company’s outstanding options for the periods starting with October 31, 2008 through October 31, 2010 is as follows:

| | Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life In Years | Aggregate Intrinsic Value |
|--|-------------|---------------------------------|--|---------------------------|
| Outstanding as of October 31, 2008 | 8,812,841 | \$ 0.22 | 6.3 | \$ 167,572 |
| Granted | 10,150,000 | 0.10 | 9.8 | 294,500 |
| Exercised | - | - | - | - |
| Cancelled or Expired | (631,250) | 0.13 | 7.5 | (15,000) |
| Outstanding as of October 31, 2009 | 18,331,591 | 0.16 | 6.0 | \$ 306,500 |
| Granted | 11,075,000 | 0.16 | 9.8 | 42,500 |
| Exercised | (306,000) | 0.09 | 8.1 | (16,860) |
| Cancelled or Expired | (2,633,167) | 0.12 | 8.6 | (104,912) |
| Outstanding as of October 31, 2010 | 26,467,424 | 0.16 | 7.4 | 415,967 |
| Vested & Exercisable at October 31, 2010 | 14,157,007 | \$ 0.17 | 6.0 | \$ 283,217 |

The fair value of options granted for the year ended October 31, 2010 amounted to \$1,409,841

The following table summarizes significant ranges of outstanding and exercisable options as of October 31, 2010 (number outstanding and exercisable in thousands):

| Range of Exercise Prices | Number Outstanding (000’s) | Options Outstanding | | | Options Exercisable | | |
|--------------------------|----------------------------|--|---|---------------------------|----------------------------|---|---------------------------|
| | | Weighted-Average Remaining Contractual Life (in Years) | Weighted-Average Exercise Price per Share | Aggregate Intrinsic Value | Number Exercisable (000’s) | Weighted-Average Exercise Price per Share | Aggregate Intrinsic Value |
| \$ 0.09-0.11 | 8,133 | 8.3 | 0.10 | \$ 356,667 | 5,283 | \$ 0.10 | \$ 260,833 |
| 0.12-0.13 | 1,750 | 5.2 | \$ 0.13 | 42,500 | 583 | 0.13 | 14,167 |
| 0.14-0.17 | 11,281 | 3.0 | 0.15 | 16,800 | 3,055 | 0.15 | 8,217 |
| 0.18-0.21 | 606 | 3.3 | 0.19 | 0 | 539 | 0.19 | 0 |
| 0.22-0.25 | 1,308 | 4.1 | 0.22 | 0 | 1,308 | 0.22 | 0 |
| 0.26-0.29 | 3,067 | 4.0 | 0.28 | 0 | 3,067 | 0.28 | 0 |
| 0.30-0.43 | 322 | 2.3 | 0.37 | 0 | 322 | 0.37 | 0 |
| Total | 26,467 | 5.0 | \$ 0.16 | \$ 415,967 | 14,157 | \$ 0.17 | \$ 283,217 |

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on options with an exercise price less than the Company's closing stock price of \$0.15 as of October 31, 2010.

As of October 31, 2010, there was approximately \$1,150,000 of unrecognized compensation cost related to non-vested stock option awards, which is expected to be recognized over a remaining average vesting period of 2.3 years.

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| A summary of the status of the Company's nonvested shares as of October 31, 2007, and changes during the years ended October 31, 2009 and 2008 are presented below: | Number of Shares | Weighted Average Exercise Price at Grant Date | Weighted Average Remaining Contractual Term (in years) |
|---|------------------|---|--|
| Non-vested shares at October 31, 2008 | 1,413,278 | \$ 0.18 | 7.5 |
| Options granted | 6,766,667 | \$ 0.10 | 9.3 |
| Options vested | (1,459,528) | \$ 0.19 | 6.0 |
| Non-vested shares at October 31, 2009 | 6,720,417 | \$ 0.10 | 8.7 |
| Options Granted | 10,108,333 | \$ 0.14 | 2.8 |
| Options Vested | (4,518,333) | \$ 0.10 | 1.0 |
| Non-vested shares at October 31, 2010 | 12,310,417 | \$ 0.13 | 2.3 |

8. COMMITMENTS AND CONTINGENCIES :

University of Pennsylvania

On May 10, 2010, the Company and Penn entered into a second amendment (the "Second Amendment Agreement") to the 20-year exclusive worldwide license agreement. Pursuant to the Second Amendment Agreement, the Company acquired exclusive licenses for an additional 27 patents related to the Company's proprietary Listeria vaccine technology, some of which expire as late as 2023. As per the terms of the Second Amendment Agreement, the Company acknowledged that it owes Penn approximately \$249,000 in patent expenses and \$130,000 in sponsored research agreement fees. As of October 31, 2010, all such payments had been made to Penn.

In addition, the Company has exercised an option for the rights to seven additional patent dockets at an option exercise fee of \$10,000 per patent docket (\$70,000 in the aggregate). Pursuant to the terms of the Second Amendment Agreement, Penn has the option to receive the option exercise fee in the form of a cash payment in the amount of \$70,000, shares of the Company common stock valued at \$140,000 (based on a price per share of the Company's most recently completed financing round) or a combination of cash and Company common stock (provided that the stock component is not less than 25% of the total payment). Penn elected to receive payment of the option exercise fee in the form of \$35,000 in cash and \$70,000 in company common stock (388,889 shares of common stock were issued at a price of \$0.18 per share).

During the year ending October 31, 2010, the Company paid in aggregate \$657,049 to Penn under these agreements.

Numoda

On June 19, 2009 we entered into a Master Agreement and on July 8, 2009 we entered into a Project Agreement with Numoda, a leading clinical trial and logistics management company, to oversee Phase II clinical activity with ADXS11-001 for the treatment of invasive cervical cancer and CIN. Numoda will be responsible globally for integrating oversight and logistical functions with the clinical research organizations, contract laboratories, academic laboratories and statistical groups involved. The scope of this agreement covers over three years and is estimated to cost approximately \$11.2 million for both trials. Per the agreement, the Company is permitted to pay a portion of outstanding charges to Numoda in the form of the Company's common stock and during May 2010, the Company issued 3,500,000 shares of its common stock to an affiliate of Numoda in satisfaction of \$595,000 in services rendered by Numoda to the Company under the Master Agreement. The Company has recorded deferred expenses on the balance sheet for this amount as well as any cash payments made to Numoda and amortizes this amount to expense over the life of the agreement. For the year ending October 31, 2010 the company paid Numoda approximately \$3.2 million. At October 31, 2010, the balance in deferred expenses was approximately \$233,000.

Other

Pursuant to a Clinical Research Service Agreement, the Company is obligated to pay Pharm–Olam International for service fees related to our Phase I clinical trial. As of October 31, 2010, the Company has an outstanding balance of \$219,131 on this agreement, which is included in Accounts Payable as of October 31, 2010.

We are party to a consulting agreement with The Sage Group, a health-care strategy consultant assisting us with a program to commercialize our vaccines. The initial agreement was entered into in January 2009 and subsequently amended on July 22, 2009. Pursuant to the terms of agreement, as amended, we have agreed to pay Sage (i) \$5,000 per month until an aggregate of \$120,000 has been paid to Sage under the consulting agreement and (ii) a 5% commission for certain transactions if completed in the first 24 months of the term of the agreement, reduced to 2% if completed in the 12 months thereafter. The Sage Group has been paid approximately \$56,000 through October 31, 2010.

The Company operates under a month to month lease for its laboratory and office space. There are no aggregate future minimum payments due as of October 31, 2010.

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Moore Employment Agreement and Option Agreements. We are party to an employment agreement with Mr. Moore, dated as of August 21, 2007 (memorializing an oral agreement dated December 15, 2006), that provides that he will serve as our Chairman of the Board and Chief Executive Officer for an initial term of two years. For so long as Mr. Moore is employed by us, Mr. Moore is also entitled to nominate one additional person to serve on our board of directors. Following the initial term of employment, the agreement was renewed for a one year term, and is automatically renewable for additional successive one year terms, subject to our right and Mr. Moore's right not to renew the agreement upon at least 90 days' written notice prior to the expiration of any one year term.

Under the terms of the agreement, Mr. Moore was entitled to receive a base salary of \$250,000 per year, subject to increase to \$350,000 per year, his current salary, upon our successful raise of at least \$4.0 million (which condition was satisfied on November 1, 2007) and subject to annual review for increases by our board of directors in its sole discretion. The agreement also provides that Mr. Moore is entitled to receive family health insurance at no cost to him. Mr. Moore's employment agreement does not provide for the payment of a bonus.

In connection with our hiring of Mr. Moore, we agreed to grant Mr. Moore up to 1,500,000 shares of our common stock, of which 750,000 shares were issuable on November 1, 2007 upon our successful raise of \$4.0 million and 750,000 shares are issuable upon our successful raise of an additional \$6.0 million (which condition was satisfied in January 2010 and the shares were then issued in June 2010). In addition, on December 15, 2006, we granted Mr. Moore options to purchase 2,400,000 shares of our common stock. Each option is exercisable at \$0.143 per share (which was equal to the closing sale price of our common stock on December 15, 2006) and expires on December 15, 2016. The options vest in 24 equal monthly installments. On July 21, 2009, we granted Mr. Moore options to purchase 2,500,000 shares of our common stock. Each option is exercisable at \$0.10 per share (which was equal to the closing sale price of our common stock on July 21, 2009) and expires on July 21, 2019. One-third of these options vested on the grant date, and the remaining vest in one third installments on the first and second anniversary of the grant. On October 14, 2010, we granted Mr. Moore options to purchase 2,000,000 shares of our common stock. Each option is exercisable at \$0.15 per share. These options vest over a three year period beginning one year from the grant date.

We have also agreed to grant Mr. Moore 1,500,000 shares of our common stock if the price of common stock (adjusted for any splits) is equal to or greater than \$0.40 for 40 consecutive business days. Pursuant to the terms of his employment agreement, all options will be awarded and vested upon a merger of the company which is a change of control or a sale of the company while Mr. Moore is employed. In addition, if Mr. Moore's employment is terminated by us, Mr. Moore is entitled to receive severance payments equal to one year's salary at the then current compensation level.

Mr. Moore has agreed to refrain from engaging in certain activities that are competitive with us and our business during his employment and for a period of 12 months thereafter under certain circumstances. In addition, Mr. Moore is subject to a non-solicitation provision for 12 months after termination of his employment.

Rothman Employment Agreement and Option Agreements. We previously entered into an employment agreement with Dr. Rothman, Ph.D., dated as of March 7, 2005, that provided that he would serve as our Vice President of Clinical Development for an initial term of one year. Dr. Rothman's current salary is \$305,000, consisting of \$275,000 in cash and \$30,000 in stock, payable in our common stock, issued on a semi-annual basis, based on the average closing stock price for such six month period, with a minimum price of \$0.20. While the employment agreement has expired and has not been formally renewed in accordance with the agreement, Dr. Rothman remains employed by us and is currently our Executive V.P. of Clinical and Scientific Operations.

In addition, on March 1, 2005, we granted Dr. Rothman options to purchase 360,000 shares of our common stock. Each option is exercisable at \$0.287 per share (which was equal to the closing sale price of our common stock on March 1, 2005) and expires on March 1, 2015. All of these options have vested. On March 29, 2006, we granted Dr.

Rothman options to purchase 150,000 shares of our common stock. Each option is exercisable at \$0.26 per share (which was equal to the closing sale price of our common stock on March 29, 2006) and expires on March 29, 2016. One-fourth of these options vested on the first anniversary of the grant date, and the remaining vest in 12 equal quarterly installments. On February 15, 2007, we granted Dr. Rothman options to purchase 300,000 shares of our common stock. Each option is exercisable at \$0.165 per share (which was equal to the closing sale price of our common stock on February 15, 2007) and expires on February 15, 2017. One-fourth of these options vested on the first anniversary of the grant date, and the remaining vest in 12 equal quarterly installments. Pursuant to the terms of the 2005 plan, at least 75% of Dr. Rothman's options will be vested upon a merger of the company which is a change of control or a sale of the company while Dr. Rothman is employed, unless the administrator of the plan otherwise allows for all options to become vested. On July 21, 2009, we granted Mr. Rothman options to purchase 1,750,000 shares of our common stock. Each option is exercisable at \$0.10 per share (which was equal to the closing sale price of our common stock on July 21, 2009) and expires on July 21, 2019. One-third of these options vested on the grant date, and the remaining vest, in one third installments on the first and second anniversary of the grant. On October 14, 2010, we granted Dr. Rothman options to purchase 2,250,000 shares of our common stock. Each option is exercisable at \$0.15 per share. These options vest over a three year period beginning one year from the grant date.

Dr. Rothman has agreed to refrain from engaging in certain activities that are competitive with us and our business during his employment and for a period of 18 months thereafter under certain circumstances. In addition, Dr. Rothman is subject to a non-solicitation provision for 18 months after termination of his employment.

9. INCOME TAXES:

The Company has a net operating loss carry forward of approximately \$20,095,366 and \$19,466,268 at October 31, 2010 and 2009, respectively, available to offset taxable income through 2030. Due to change in control provisions, the Company's utilization of these losses may be limited. The tax effects of loss carry forwards give rise to a deferred tax asset and a related valuation allowance at October 31, as follows:

| | 2010 | 2009 |
|--|--------------|--------------|
| Net operating loss carryforwards-federal | \$ 8,038,146 | \$ 7,786,507 |
| Stock based compensation | 1,202,168 | 990,700 |
| Research and development tax credits | - | 216,134 |
| Less valuation allowance | (9,240,314) | (8,993,341) |
| Deferred tax asset | \$ - | \$ - |

The difference between income taxes computed at the statutory federal rate of 34% and the provision for income taxes relates to the following:

| | Year ended October 31, 2010 | Year ended October 31, 2009 | Period from March 1, 2002 (inception) to October 31, 2010 |
|-------------------------------------|-----------------------------------|-----------------------------------|---|
| Provision at federal statutory rate | 34% | 34% | 34% |
| Valuation allowance | (34) | (34) | (34) |
| | -% | -% | -% |

In a letter dated November 13, 2008 from the New Jersey Economic Development Authority we were notified that our application for the New Jersey Technology Tax Certificate Transfer Program was preliminarily approved. Under the State of New Jersey NOL Transfer Program for small business we received a net cash amount of \$922,020 on December 12, 2008 from the sale of our State Net Operating Losses ("NOL") through December 31, 2007 of \$1,084,729. In January 2010, the company received a net cash amount of \$278,978 from the sale of some of our State Net Operating Losses ("NOL") through December 31, 2008. The company plans to sell its Net Operating Losses and research tax credits for the 2009 fiscal year under the same State of New Jersey Program for small business.

We adopted ASC 740, Income Taxes, formerly Financial Interpretation Number 48, "Accounting for Uncertain Tax Positions" ("FIN 48") on November 1, 2007. ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." ASC 740 prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. We did not establish any additional reserves for uncertain tax liabilities upon adoption of ASC 740. There were no adjustments for uncertain tax positions in the current year.

We will account for interest and penalties related to uncertain tax positions, if any, as part of our provision for federal and state income taxes.

We do not expect that the amounts of unrecognized benefits will change significantly within the next 12 months.

We are no longer subject to audit under the statute of limitations by the Internal Revenue Service and state jurisdictions for 2006 through 2009.

10. CAPITALIZATION

On November 12, 2004, Great Expectations and Associates, Inc. ("Great Expectations") acquired the Company through a share exchange and reorganization (the "Recapitalization"), pursuant to which the Company became a wholly owned subsidiary of Great Expectations. Great Expectations acquired (i) all of the issued and outstanding shares of common stock of the Company and the Series A preferred stock of the Company in exchange for an aggregate of 15,597,723 shares of authorized, but theretofore unissued, shares of common stock, no par value, of Great Expectations;. Prior to the closing of the Recapitalization, Great Expectations performed a 200-for-1 reverse stock split, thus reducing the issued and outstanding shares of common stock of Great Expectations from 150,520,000 shares to 752,600 shares. Additionally, 752,600 shares of common stock of Great Expectations were issued to the financial advisor in connection with the Recapitalization. Accordingly, the transaction is treated as a recapitalization, rather than a business combination. The historical financial statements of Advaxis are now the historical financial statements of the Company. Historical shareholders' equity (deficiency) of Advaxis has been restated to reflect the recapitalization, and include the shares received in the transaction.

On November 12, 2004, the Company completed an initial closing of a private placement offering (the "Private Placement"), whereby it sold an aggregate of \$2.925 million worth of units to accredited investors. Each unit was sold for \$25,000 (the "Unit Price") and consisted of (a) 87,108 shares of common stock and (b) a warrant to purchase, at any time prior to the fifth anniversary following the date of issuance of the warrant, to purchase 87,108 shares of common stock included at a price equal to \$0.40 per share of common stock (a "Unit"). In consideration of the investment, the Company granted to each investor certain registration rights and anti-dilution rights. Also, in November 2004, the Company converted approximately \$618,000 of aggregate principal promissory notes and accrued interest outstanding into Units.

On December 8, 2004, the Company completed a second closing of the Private Placement, whereby it sold an aggregate of \$200,000 of Units to accredited investors.

On January 4, 2005, the Company completed a third and final closing of the Private Placement, whereby it sold an aggregate of \$128,000 of Units to accredited investors.

Pursuant to the terms of a investment banking agreement, dated March 19, 2004, by and between the Company and Sunrise Securities, Corp. (the "Placement Agent"), the Company issued to the Placement Agent and its designees an aggregate of 2,283,445 shares of common stock and warrants to purchase up to an aggregate of 2,666,900 shares of common stock. The shares were issued as part consideration for the services of the Placement Agent, as placement agent for the Company in the Private Placement. In addition, the Company paid the Placement Agent a total cash fee of \$50,530.

On January 12, 2005, the Company completed a second private placement offering whereby it sold an aggregate of \$1,100,000 of units to a single investor. As with the Private Placement, each unit issued and sold in this subsequent private placement was sold at \$25,000 per unit and is comprised of (i) 87,108 shares of common stock, and (ii) a five-year warrant to purchase 87,108 shares of our common stock at an exercise price of \$0.40 per share. Upon the closing of this second private placement offering the Company issued to the investor 3,832,753 shares of common stock and warrants to purchase up to an aggregate of 3,832,753 shares of common stock.

The aggregate sale from the four private placements was \$4,353,000, which was netted against transaction costs of \$329,673 for net proceeds of \$4,023,327.

Pursuant to a Securities Purchase Agreement dated February 2, 2006 (\$1,500,000 principal amount) and March 8, 2006 (\$1,500,000 principal amount) we issued to Cornell Capital Partners, LP ("Cornell") \$3,000,000 principal amount of the Company's Secured Convertible Debentures due February 1, 2009 (the "Debentures") at face amount, and five year Warrants to purchase 4,200,000 shares of Common Stock at the price of \$0.287 per share and five year B Warrants to purchase 300,000 shares of Common Stock at a price of \$0.3444 per share.

The Debentures were convertible at a price equal to the lesser of (i) \$0.287 per share ("Fixed Conversion Price"), or (ii) 95% of the lowest volume weighted average price of the Common Stock on the market on which the shares are listed or traded during the 30 trading days immediately preceding the date of conversion ("Market Conversion Price"). Interest was payable at maturity at the rate of 6% per annum in cash or shares of Common Stock valued at the conversion price then in effect.

Cornell agreed that (i) it would not convert the Debenture or exercise the Warrants if the effect of such conversion or exercise would result in its and its affiliates' holdings of more than 4.9% of the outstanding shares of Common Stock, (ii) neither it nor its affiliates will maintain a short position or effect short sales of the Common Stock while the Debentures are outstanding, and (iii) no more than \$300,000 principal amount of the Debenture could be converted at the Market Conversion Price during a calendar month.

On August 24, 2007, we issued and sold an aggregate of \$600,000 principal amount promissory notes bearing interest at a rate of 12% per annum and warrants to purchase an aggregate of 150,000 shares of our common stock to three investors including Thomas Moore, our Chief Executive Officer. Mr. Moore invested \$400,000 and received warrants for the purchase of 100,000 shares of Common Stock. The promissory note and accrued but unpaid interest thereon are convertible at the option of the holder into shares of our common stock upon the closing by the Company of a sale of its equity securities aggregating \$3,000,000 or more in gross proceeds to the Company at a conversion rate which shall be the greater of a price at which such equity securities were sold or the price per share of the last reported trade of our common stock on the market on which the common stock is then listed, as quoted by Bloomberg LP. At any time prior to conversion, we have the right to prepay the promissory notes and accrued but unpaid interest thereon. Mr. Moore converted his \$400,000 bridge investment into 2,666,667 shares of common stock and 2,000,000 \$0.20 Warrants based on the terms of the Private Placement. He was paid \$7,101 interest in cash.

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On October 17, 2007, pursuant to a Securities Purchase Agreement, we completed a private placement resulting in \$7,384,235.10 in gross proceeds, pursuant to which we sold 49,228,334 shares of common stock at a purchase price of \$0.15 per share solely to institutional and accredited investors. Each investor received a five-year warrant to purchase an amount of shares of common stock that equals 75% of the number of shares of common stock purchased by such investor in the offering.

Concurrent with the closing of the private placement, the Company sold for \$1,996,700 to CAMOFI Master LDC and CAMHZN Master LDC, affiliates of its financial advisor, Centrecourt Asset Management (“Centrecourt”), an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 warrants exercisable at \$0.20 (prior to anti-dilution adjustments) per share, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001 per share (the “\$0.001 Warrants”). The Company and the two purchasers agreed that the purchasers would be bound by and entitled to the benefits of the Securities Purchase Agreement as if they had been signatories thereto. The \$0.20 (prior to anti-dilution adjustments) Warrants and \$0.001 Warrants contain the same terms, except for the exercise price. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of the Company’s outstanding shares of Common Stock. Pursuant to a consulting agreement dated August 1, 2007 with Centrecourt with respect to the anticipated financing, in which Centrecourt was engaged to act as the Company’s financial advisor, Registrant paid Centrecourt \$328,000 in cash and issued 2,483,333 warrants exercisable at \$0.20 (prior to anti-dilution adjustments) per share to Centrecourt, which Centrecourt assigned to the two affiliates.

All of the \$0.20 (prior to anti-dilution adjustments) Warrants and \$0.001 Warrants provide for adjustment of their exercise prices upon the occurrence of certain events, such as payment of a stock dividend, a stock split, a reverse split, a reclassification of shares, or any subsequent equity sale, rights offering, pro rata distribution, or any fundamental transaction such as a merger, sale of all of its assets, tender offer or exchange offer, or reclassification of its common stock. If at any time after October 17, 2008 there is no effective registration statement registering, or no current prospectus available for, the resale of the shares underlying the warrants by the holder of such warrants, then the warrants may also be exercised at such time by means of a “cashless exercise.”

In connection with the private placement, we entered into a registration rights agreement with the purchasers of the securities pursuant to which we agreed to file a registration statement with the Securities and Exchange Commission with an effectiveness date within 90 days after the final closing of the offering. The registration statement was declared effective on January 22, 2008.

At the closing of this private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. (“Yorkville”), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of our common stock. We paid an aggregate of (i) \$2,289,999 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants.

On September 22, 2008, Advaxis, Inc. (the “Company”) entered into a Note Purchase Agreement (the “Agreement”) with the Company’s Chief Executive Officer, Thomas Moore, pursuant to which the Company agreed to sell to Mr. Moore, from time to time, one or more senior promissory notes (each a “Note” and collectively the “Notes”) with an aggregate principal amount of up to \$800,000.

The Agreement was reviewed and recommended to the Company’s Board of Directors (the “Board”) by a special committee of the Board and was approved by a majority of the disinterested members of the Board. The Note or Notes, if and when issued, will bear interest at a rate of 12% per annum, compounded quarterly, and will be due and payable on (i) the earlier of the close of the Company’s next equity financing resulting in gross proceeds to the

Company of at least \$6,000,000 (the “Subsequent Equity Raise”) or (ii) default under the terms of the Moore Agreement (the “Maturity Date”). The Note(s) may be prepaid in whole or in part at the option of the Company without penalty or any time prior to the Maturity Date.

In consideration of Mr. Moore’s agreement to purchase the Notes, the Company agreed that concurrently with the Subsequent Equity Raise, the Company will issue to Mr. Moore a warrant to purchase the Company’s common stock, which will entitle Mr. Moore to purchase a number of shares of the Company’s common stock equal to one share per \$1.00 invested by Mr. Moore in the purchase of one or more Notes. Such warrant would contain the same terms and conditions as warrants issued to investors in the Subsequent Equity Raise. At October 31, 2010, with the agreement of Mr. Moore, the company had not issued these warrants to him.

11. SHAREHOLDERS’ EQUITY :

Series A Preferred Stock Equity Financing

For the twelve months ended October 31, 2010, the Company issued and sold 500 shares of nonconvertible, redeemable Series A Preferred Stock (“Series A Preferred Stock”) to Optimus Life Sciences Capital Partners LLC (“the Investor”) pursuant to the terms of a Preferred Stock Purchase Agreement between the Company and the Investor dated September 24, 2009 (the “Series A Purchase Agreement”). The aggregate purchase price for the shares of Series A Preferred Stock was \$5,000,000 (of which the Company received approximately \$4,488,000, net of registration statement costs, commitment and legal fees of approximately \$512,000). No more shares of Series A Preferred Stock remain available under the Series A Purchase Agreement.

In connection with the issuance by the Company of Series A Preferred Stock, described above, an affiliate of the Investor exercised warrants to purchase 36,568,000 shares of the Company's common stock at exercise prices ranging from \$0.17 to \$0.20 per share. The Company, the affiliate and the Investor also agreed to waive certain terms and conditions in the Series A Purchase Agreement and such warrants in order to permit the affiliate of the Investor to exercise such warrants and acquire beneficial ownership of more than 4.99% of the Company's common stock on the date of exercise. As permitted by the terms of such warrants, the aggregate exercise price of approximately \$6,758,000 to be received by the Company is payable pursuant to 4 year full recourse promissory notes bearing interest at the rate of 2% per annum.

Series B Preferred Stock Financing

On July 19, 2010, the Company entered into a Series B Preferred Stock Purchase Agreement with Optimus (the "Series B Purchase Agreement"), pursuant to which the Investor agreed to purchase, upon the terms and subject to the conditions set forth therein and described below, up to \$7.5 million of the Company's newly authorized, non-convertible, redeemable Series B preferred stock ("Series B Preferred Stock") at a price of \$10,000 per share. Under the terms of the Series B Purchase Agreement, and after the SEC has declared effective a registration statement relating to the Warrant Shares (as defined below), the Company may from time to time until July 19, 2013, present Optimus with a notice to purchase a specified amount of Series B Preferred Stock. Subject to satisfaction of certain closing conditions, the Investor is obligated to purchase such shares of Series B Preferred Stock on the 10th trading day after the date of the notice. The Company will determine, in its sole discretion, the timing and amount of Series B Preferred Stock to be purchased by the Investor, and may sell such shares in multiple tranches. The Investor will not be obligated to purchase the Series B Preferred Stock upon the Company's notice (i) in the event the average closing sale price of the Company's common stock during the nine trading days following delivery of such notice falls below 75% of the closing sale price of the Company's common stock on the trading day prior to the date such notice is delivered to the Investor, or (ii) to the extent such purchase would result in the Company and its affiliates beneficially owning more than 9.99% of the Company's outstanding common stock.

On July 19, 2010, the Company issued 500 shares of Series B Preferred Stock to the Investor ("Series B Exchange Shares") in exchange for the 500 shares of Series A Preferred Stock issued under the Series A Purchase Agreement so that all shares of the Company's preferred stock held or subsequently purchased by the Investor under the Series B Purchase Agreement would be redeemable upon substantially identical terms.

Pursuant to the Series B Purchase Agreement, on July 19, 2010, the Company issued to an affiliate of the Investor a three-year warrant to purchase up to 40,500,000 shares of the Company's common stock (the "Warrant Shares"), at an initial exercise price of \$0.25 per share, subject to adjustment as described below. The warrant will become exercisable on the earlier of (i) the date on which a registration statement registering for resale the shares of common stock issuable upon exercise of the warrant becomes effective and (ii) the first date on which such Warrant shares are eligible for resale without limitation under Rule 144 (assuming a cashless exercise of the warrant). The warrant consists of and is exercisable in tranches, with a separate tranche being created upon each delivery of a tranche notice under the Series B Purchase Agreement. On each tranche notice date, that portion of the warrant equal to 135% of the tranche amount will vest and become exercisable, and such vested portion may be exercised at any time during the exercise period on or after such tranche notice date. On and after the first tranche notice date and each subsequent tranche notice date, the exercise price of the warrant will be adjusted to the closing sale price of a share of the Company's common stock on the applicable tranche notice date. The exercise price of the warrant may be paid (at the option of the affiliate of the Investor) in cash or by its issuance of a four-year, full-recourse promissory note, bearing interest at 2% per annum, and secured by a specified portfolio of assets. However, such promissory note is not due or payable at any time that (a) the Company is in default of any preferred stock purchase agreement for Series B Preferred Stock or any warrant issued pursuant thereto, any loan agreement or other material agreement or (b) there are any shares of the Series B Preferred Stock issued or outstanding.

For the period between July 19, 2010 and October 31, 2010 the Company issued and sold 289 shares of nonconvertible, redeemable Series B Preferred Stock (“Series B Preferred Stock”) to Optimus Life Sciences Capital Partners LLC (“the Investor”) pursuant to the terms of the Series B Agreement between the Company and the Investor dated July 19, 2010. The aggregate purchase price for the shares of Series B Preferred Stock was \$2,890,000 (of which the company received \$2,545,000, net of commitment and legal fees of \$345,000).

In connection with the issuance by the Company of the Series B Preferred Stock described above, an affiliate of the Investor exercised warrants to purchase 24,697,059 shares of the Company’s common stock at exercise prices ranging from \$0.15 to \$0.17 per share. The Company, the affiliate and the Investor also agreed to waive certain terms and conditions in the Series B Purchase Agreement and such warrants in order to permit the affiliate of the Investor to exercise such warrants and acquire beneficial ownership of more than 4.99% of the Company’s common stock on the date of exercise. As permitted by the terms of such warrants, the aggregate purchase price of approximately \$3,901,500 received by the Company is payable pursuant to four year, full recourse promissory notes bearing interest at the rate of 2% per annum.

On September 28, 2010, Advaxis, Inc. (the “ Company ”) issued and sold 165 shares of Series B preferred stock (part of the 289 preferred shares sold between July 19, 2010 and October 31, 2010) to Optimus pursuant to the terms of the Series B Purchase Agreement. The aggregate purchase price for the shares of Series B Preferred Stock was \$1.65 million (of which the Company received \$1.505 million. The Company has agreed to pay a fee of \$140,000 to the Investor in consideration of (i) the closing of the purchase of the Series B Preferred Stock taking place prior to 10 trading days following the delivery of the tranche notice as required by the Purchase Agreement, (ii) the Investor allowing the Company to increase the amount of the original tranche notice after it was originally delivered to the Investor and (iii) the waiver by the Investor of a closing condition under the Purchase Agreement. As of September 28, 2010, 461 shares of Series B Preferred Stock remained available for sale under the Series B Purchase Agreement.

In connection with the September 28, 2010 issuance by the Company of the Series B Preferred Stock described above, an affiliate of Optimus exercised a warrant to purchase 14,850,000 shares of the Company’s common stock at an exercise price of \$0.15 per share. As permitted by the terms of these warrants, the aggregate exercise price of approximately \$2,227,500 received by the Company is payable pursuant to four-year full recourse promissory notes bearing interest at the rate of 2% per year.

Warrants

Almost all of our warrants (except the warrants issued to an affiliate of Optimus) contain “full-ratchet” anti-dilution provisions originally set at \$0.20 with a term of five years. The Optimus exercise of warrants on January 11, 2010 triggered the anti dilution provisions of the warrant agreements requiring a reset of both the price of these warrants (from \$0.20 to \$0.17) and an increase in amount of warrants. Subsequently, the Optimus exercise of warrants on September 28, 2010 triggered the anti-dilution provisions of the warrant agreements requiring a reset of both the price of these warrants (from \$0.17 to \$0.15) and an increase in the amount of warrants. Therefore, any future financial offering or instrument issuance below \$0.15 per share of the Company’s common stock or warrants (subject to certain exceptions) will cause further anti-dilution and/or repricing provisions in the above mentioned 87.4 million outstanding warrants (see table in Note 5). During September 2010, the company issued additional warrants to bridge note holders to mirror the “ratchet effect” warrants and repricing of the 2007 Private Placement transaction. In September 2010, the company issued approximately 1.9 million of such warrants to bridge note holders, valued using the BSM model, at approximately, \$206,000.

12. Fair Value

The authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact. The guidance describes a fair value hierarchy based on the levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2— Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or corroborated by observable market data or substantially the full term of the assets or liabilities
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the value of the assets or liabilities

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In accordance with FASB ASC 820, "Fair Value Measurements and Disclosures", the following table represents the Company's fair value hierarchy for its financial liabilities measured at fair value on a recurring basis as of October 31, 2010:

| | Level 2 2010 |
|-----------------------------------|-----------------|
| Fair Value of Embedded Derivative | \$ 81,028 |
| Common Stock Warrants | 13,006,194 |
| Total | \$ 13,087,222 |

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The derivative instruments were valued using the market approach, which is considered Level 2 because it uses inputs other than quoted prices in active markets that are either directly or indirectly observable. Accordingly, the derivatives were valued using the Black-Scholes model as described in Note 6.

13. SUBSEQUENT EVENTS

Series B Preferred Equity Financing

On November 15, 2010, Advaxis, Inc. (the “ Company ”) issued and sold 61 shares of Series B preferred to Optimus pursuant to the terms of the Series B Purchase Agreement. The aggregate purchase price for the shares of Series B Preferred Stock was \$610,000 (of which the Company received \$605,000. As of November 5, 2010, 400 shares of Series B Preferred Stock remained available for sale under the Series B Purchase Agreement.

In connection with the November 15, 2010 issuance by the Company of the Series B Preferred Stock described above, an affiliate of Optimus exercised a warrant to purchase 5,312,903 shares of the Company’s common stock at an exercise price of \$0.155 per share. As permitted by the terms of these warrants, the aggregate exercise price of approximately \$823,500 received by the Company is payable pursuant to four-year full recourse promissory notes bearing interest at the rate of 2% per year.

On December 30, 2010, Advaxis, Inc. (the “ Company ”) issued and sold 72 shares of Series B preferred to Optimus pursuant to the terms of the Series B Purchase Agreement. The aggregate purchase price for the shares of Series B Preferred Stock was \$720,000. The company received approximately \$473,000 (net of \$150,000 used to repay a short-term promissory note due Optimus, approximately \$20,000 in legal and early payment fees and approximately \$77,000 in redemption fees).

On December 30, 2010, immediately following the closing of the above Transaction, the Company redeemed two hundred twenty-six (226) shares of Series B Preferred Stock held by the Investor for an aggregate redemption price of \$3,141,004 consisting of (i) cash in an amount of \$76,622 and (ii) cancellation of certain promissory notes issued by an affiliate of the Investor to the Company in the aggregate amount of \$3,064,382. As of December 30, 2010, 328 shares of Series B Preferred Stock remained available for sale under the Series B Purchase Agreement.

In connection with the December 30, 2010 issuance by the Company of the Series B Preferred Stock described above, an affiliate of Optimus exercised a warrant to purchase 6,480,000 shares of the Company’s common stock at an exercise price of \$0.15 per share. As permitted by the terms of these warrants, the aggregate exercise price of approximately \$972,000 received by the Company is payable pursuant to four-year full recourse promissory notes bearing interest at the rate of 2% per year.

Junior Subordinated Convertible Promissory Notes

In November 2010, the Company entered into Bridge Note agreements whereby certain accredited investors acquired junior subordinated convertible promissory notes of the Company in the aggregate face amounts of approximately \$432,000 for aggregate net purchase prices of \$410,000. These junior subordinated convertible promissory notes mature in 60 days from their origination, subject to certain provisions in the note agreement. In addition, the Company also entered into Bridge Note agreements whereby certain accredited investors acquired junior subordinated convertible promissory notes of the Company in the aggregate face amounts of approximately \$500,000 for aggregate net purchase prices of \$425,000. These junior subordinated convertible promissory notes mature on or before August 31, 2011, subject to certain provisions in the note agreement.

In November 2010, the Company repaid five junior bridge notes that were due during fiscal 2010, in the principal amounts of \$187,582. Approximately \$206,500 in unpaid principal, due prior to October 31, 2010, remains outstanding as of January 24, 2011.

In January and February 2011, the Company issued in private placements to certain accredited investors, junior unsecured convertible promissory notes in the aggregate principal face amount of \$452,941, for an aggregate net purchase price of \$395,000 and (ii) warrants to purchase an aggregate of 1,642,500 shares of its common stock, each at an exercise price of \$0.15 per share, subject to adjustments upon the occurrence of certain events. These junior unsecured convertible promissory notes have maturity dates ranging from 90 days to nine months from their date of issue.

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