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ALFACELL CORP
Form 10-Q
March 19, 2001

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

FORM 10-Q

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

January 31, 2001
For the quarterly period ended

0-11088
Commission file number

ALFACELL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-2369085
(I.R.S. Employer
Identification No.)

225 Belleville Avenue, Bloomfield, New Jersey 07003
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) (973) 748-8082

NOT APPLICABLE
(Former name, former address, and former fiscal year,
if changed since last report.)

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

The number of shares of common stock, \$.001 par value, outstanding as of March 14, 2001 was 18,886,691 shares.

ALFACELL CORPORATION
(A Development Stage Company)

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

BALANCE SHEETS
January 31, 2001 and July 31, 2000

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| ASSETS | January 31, 2001 (Unaudited) |
|---|------------------------------------|
| ----- | ----- |
| Current assets: | |
| Cash and cash equivalents | \$ 96,970 |
| Other assets | 96,498 |
| | ----- |
| Total current assets | 193,468 |
| Property and equipment, net of accumulated depreciation and amortization of \$1,044,868 at January 31, 2001 and \$1,006,808 at July 31, 2000 | 104,110 |
| Other assets | 59,867 |
| | ----- |
| Total assets | \$ 357,445 |
| | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY) | |
| Current liabilities: | |
| Current portion of long-term debt | \$ 7,087 |
| Accounts payable | 164,518 |
| Accrued expenses | 414,546 |
| | ----- |
| Total current liabilities | 586,151 |
| Long-term debt, less current portion | 27,518 |
| | ----- |
| Total liabilities | 613,669 |
| | ----- |
| Commitments and contingencies | |
| Stockholders' equity (deficiency): | |
| Preferred stock, \$.001 par value | |
| Authorized and unissued, 1,000,000 shares at January 31, 2001 and July 31, 2000 | -- |
| Common stock \$.001 par value | |
| Authorized 40,000,000 shares at January 31, 2001 and July 31, 2000; | |
| Issued and outstanding 18,886,691 shares at January 31, 2001 and 18,431,559 shares at July 31, 2000 | 18,887 |
| Capital in excess of par value | 57,150,360 |
| Deficit accumulated during development stage | (57,425,471) |
| | ----- |
| Total stockholders' equity (deficiency) | (256,224) |
| | ----- |
| Total liabilities and stockholders' equity (deficiency) | \$ 357,445 |
| | ===== |

See accompanying notes to financial statements.

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(A Development Stage Company)

STATEMENTS OF OPERATIONS

Three months and six months ended January 31, 2001 and 2000,
and the Period from August 24, 1981
(Date of Inception) to January 31, 2001

(Unaudited)

| | Three Months Ended January 31, | | Six Months January |
|--|-----------------------------------|---------------------|-----------------------|
| | 2001 | 2000 | 2001 |
| REVENUE: | | | |
| Sales | \$ -- | \$ -- | \$ -- |
| Investment income | 3,015 | 11,267 | 6,769 |
| Other income | -- | -- | -- |
| TOTAL REVENUE | 3,015 | 11,267 | 6,769 |
| COSTS AND EXPENSES: | | | |
| Cost of sales | -- | -- | -- |
| Research and development | 509,679 | 592,413 | 877,836 |
| General and administrative | 179,863 | 149,590 | 325,452 |
| Interest: | | | |
| Related parties | -- | -- | -- |
| Others | 1,867 | 839 | 3,768 |
| TOTAL COSTS AND EXPENSES | 691,409 | 742,842 | 1,207,056 |
| NET LOSS BEFORE STATE TAX BENEFIT | \$ (688,394) | \$ (731,575) | \$ (1,200,287) |
| STATE TAX BENEFIT | -- | 755,854 | 451,395 |
| NET INCOME (LOSS) | \$ (688,394) | \$ 24,279 | \$ (748,892) |
| Loss per basic and diluted common share | \$ (.04) | \$.00 | \$ (.04) |
| Weighted average number of shares outstanding | 18,832,234 | 17,374,655 | 18,749,429 |

See accompanying notes to financial statements.

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ALFACELL CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

Six months ended January 31, 2001
and 2000, and the Period from
August 24, 1981
(Date of Inception) to January 31, 2001

(Unaudited)

| | Six Months Ended January 31, 2001 | 2000 |
|--|---|----------------|
| | ----- | ----- |
| Cash flows from operating activities: | | |
| Net loss | \$ (748,892) | (6 |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Gain on sale of marketable securities | -- | |
| Depreciation and amortization | 38,060 | |
| Loss on disposal of property and equipment | -- | |
| Noncash operating expenses | 64,405 | |
| Amortization of deferred compensation | -- | |
| Amortization of organization costs | -- | |
| Changes in assets and liabilities: | | |
| (Increase) decrease in other current assets | (67,881) | |
| Decrease in other assets | -- | |
| Increase in interest payable, related party | -- | |
| Increase (decrease) in accounts payable | 3,760 | (|
| Increase in accrued payroll and expenses, related parties | -- | |
| Increase (decrease) in accrued expenses | 2,700 | |
| Net cash used in operating activities | ----- (707,848) | ----- (5 |
| Cash flows from investing activities: - | | |
| Purchase of marketable equity securities | -- | |
| Proceeds from sale of marketable equity securities | -- | |
| Purchase of property and equipment | -- | |
| Patent costs | -- | |
| Net cash used in investing activities | ----- -- | ----- ----- |

See accompanying notes to financial statements.

(continued)

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STATEMENTS OF CASH FLOWS, Continued

Six months ended January 31, 2001 and 2000,
and the Period from August 24, 1981
(Date of Inception) to January 31, 2001

(Unaudited)

| | Six Months Ended January 31, | |
|---|---------------------------------|-----------|
| | 2001 | 2000 |
| Cash flows from financing activities: | | |
| Proceeds from short-term borrowings | \$ -- | |
| Payment of short-term borrowings | -- | |
| Increase in loans payable - related party, net | -- | |
| Proceeds from bank debt and other long-term debt, net of deferred debt costs | -- | |
| Reduction of bank debt and long-term debt | (2,720) | |
| Proceeds from issuance of common stock, net | 503,493 | |
| Proceeds from exercise of stock options and warrants, net | 46,600 | |
| Proceeds from issuance of convertible debentures | -- | |
| | 547,373 | |
| Net cash (used in) provided by financing activities | | |
| | (160,475) | (52,000) |
| Net (decrease) increase in cash and cash equivalents | | |
| Cash and cash equivalents at beginning of period | 257,445 | 1,380,000 |
| | 96,970 | 850,000 |
| Cash and cash equivalents at end of period | \$ | \$ |
| Supplemental disclosure of cash flow information - | | |
| interest paid | \$ 3,768 | |
| Noncash financing activities: | | |
| Issuance of convertible subordinated debenture for loan payable to officer | \$ -- | |
| Issuance of common stock upon the conversion of convertible subordinated debentures, related party | \$ -- | |
| Conversion of short-term borrowings to common stock | \$ -- | |
| Conversion of accrued interest, payroll and expenses by related parties to stock options | \$ -- | |
| Repurchase of stock options from related party | \$ -- | |
| Conversion of accrued interest to stock options | \$ -- | |
| Conversion of accounts payable to common stock | \$ 10,030 | 9,000 |
| Conversion of notes payable, bank and accrued interest to long-term debt | \$ -- | |
| Conversion of loans and interest payable, related party and accrued payroll and expenses, related parties to long-term accrued payroll and other, related party | \$ -- | |

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| | |
|--|-------|
| Issuance of common stock upon the conversion of convertible subordinated debentures, other | \$ -- |
| Issuance of common stock for services rendered | \$ -- |

See accompanying notes to financial statements.

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ALFACELL CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of January 31, 2001 and the results of operations for the three and six month periods ended January 31, 2001 and 2000 and the period from August 24, 1981 (date of inception) to January 31, 2001. The results of operations for the six months ended January 31, 2001 are not necessarily indicative of the results to be expected for the full year.

The Company is a development stage company as defined in the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establishing a new business. Its planned principal operations have not commenced and, accordingly, no significant revenue has been derived therefrom.

Effective August 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, or SFAS 130, Reporting Comprehensive Income. SFAS 130 establishes new rules for the reporting and display of comprehensive income and its components. The net loss of \$749,000 and \$690,000, recorded for the six months ended January 31, 2001 and 2000, respectively, is equal to the comprehensive loss for those periods.

The Company has reported net losses since its inception. Also, the Company has limited liquid resources. The report of the Company's independent auditors on the Company's July 31, 2000 financial statements included an explanatory paragraph which states that the Company's recurring losses, working capital deficit and limited liquid resources raise substantial doubt about the Company's ability to continue as a going concern. The financial statements at July 31, 2000 or January 31, 2001 do not include any adjustments that might result from the outcome of this uncertainty.

The Company's continued operations will depend on its ability to raise additional funds through various potential sources such as equity and debt financing, collaborative agreements, strategic alliances, sale of tax benefits, revenues from the commercial sale of ONCONASE(R) and

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ALFACELL CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS, continued

(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION, continued

its ability to realize the full potential of its technology and its drug candidates. Such additional funds may not become available as needed or be available on acceptable terms. To date, a significant portion of the Company's financing has been through private placements of common stock and warrants, the issuance of common stock for stock options and warrants exercised and for services rendered, debt financing and financing provided by the Company's Chief Executive Officer. Additionally, the Company has raised capital through the sale of its tax benefits. Until the Company's operations generate significant revenues, the Company will continue to fund its operations from cash on hand and through the sources of capital previously described. The Company believes that its cash and cash equivalents as of January 31, 2001 will be sufficient to meet its anticipated cash needs through April 2001.

2. EARNINGS (LOSS) PER COMMON SHARE

"Basic" earnings (loss) per common share equals net income (loss) divided by weighted average common shares outstanding during the period. "Diluted" earnings (loss) per common share equals net income divided by the sum of weighted average common shares outstanding during the period plus common stock equivalents. The Company's Basic and Diluted per share amounts are the same since the assumed exercise of stock options and warrants are all anti-dilutive. The amount of options and warrants excluded from the calculation was 6,060,363 and 5,862,965 at January 31, 2001 and 2000, respectively.

3. CAPITAL STOCK

In August 2000, the Company issued 11,800 shares of common stock for payment of services rendered. The fair value of the common stock in the amount of \$10,030 was charged to operations.

In August and September 2000, the Company sold an aggregate of 333,332 shares of common stock to private investors at a price of \$1.50 per share resulting in net proceeds of \$503,493 to the Company. In addition, the private investors were granted five-year warrants to purchase an aggregate of 166,666 shares of common stock at per share exercise price of \$3.00.

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ALFACELL CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS, continued

(Unaudited)

3. CAPITAL STOCK, continued

In September 2000, the Company issued 40,000 shares of common stock upon the exercise of stock options by a related party resulting in gross proceeds of

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\$16,100 to the Company.

In January 2001, the Company issued 70,000 shares of common stock upon the exercise of stock options by related parties resulting in gross proceeds of \$30,500 to the Company.

4. SALE OF NET OPERATING LOSSES

New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2001 (July 1, 2000 to June 30, 2001), the Company has \$1,774,000 total available tax benefits of which \$602,000 was allocated to be sold between July 1, 2000 and June 30, 2001. In December 2000, the Company received \$451,000 from the sale of its allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2000. The Company will attempt to sell the remaining balance of its tax benefits in the amount of approximately \$1,172,000 between July 1, 2001 and June 30, 2002, subject to all existing laws of the State of New Jersey. However, there is no assurance that the Company will be able to find a buyer for its tax benefits or that such funds will be available in a timely manner.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information contained herein contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical fact, regarding our financial position, potential, business strategy, plans and objectives for future operations are "forward-looking statements." These statements are commonly identified by the use of forward-looking terms and phrases as "anticipates," "believes," "estimates," "expects," "intends," "may," "seeks," "should," or "will" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. We cannot assure that the future results covered by these forward-looking statements will be achieved. The matters set forth in Exhibit 99.1 to our annual report on Form 10-K for the fiscal year ended July 31, 2000 which is incorporated herein by reference, constitute cautionary statements identifying important factors with respect to these forward-looking statements, including certain risks and uncertainties, that could cause actual results to vary significantly from the future results indicated in these forward-looking statements. Other factors could also cause actual results to differ significantly from the future results indicated in these forward-looking statements.

Results of Operations

Three and six month periods ended January 31, 2001 and 2000

Revenues. We are a development stage company as defined in the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 7. We are devoting substantially all of our present efforts to establishing a new business and developing new drug products. Our planned principal operations of marketing and/or licensing of new drugs have not commenced and, accordingly, we have not derived any significant revenue from these operations. We focus most of our productive and financial resources on the development of ONCONASE(R) and as such we have not had any sales in the six months ended January 31, 2001 and 2000. Investment income for the six months ended January 31, 2001 was \$7,000 compared to \$26,000 for the same period last year, a decrease of \$19,000. This decrease was due to lower balances of cash and cash equivalents.

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Research and Development. Research and development expense for the three months ended January 31, 2001 was \$510,000 compared to \$592,000 for the same period last year, a decrease of \$82,000 or 14%. This decrease was primarily due to a 42% decrease in costs in support of on-going Phase III clinical trials for ONCONASE(R) for malignant mesothelioma, a 19% decrease in expenses in preparation of an NDA filing for ONCONASE(R) with the FDA and an 89% decrease in expenses associated with the new patent and trademark applications for ONCONASE(R).

Research and development expense for the six months ended January 31, 2001 was \$878,000 compared to \$1,164,000 for the same period last year, a decrease of \$286,000 or 25%. This decrease was primarily due to a 46% decrease in costs in support of on-going Phase III

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clinical trials for ONCONASE(R) for malignant mesothelioma, a 51% decrease in expenses in preparation of an NDA filing for ONCONASE(R) with the FDA and a 48% decrease in expenses associated with the new patent and trademark applications for ONCONASE(R).

General and Administrative. General and administrative expense for the three months ended January 31, 2001 was \$180,000 compared to \$150,000 for the same period last year, an increase of \$30,000 or 20%. This increase was primarily due to a \$25,000 increase in public relations expenses and a 32% increase in insurance expense.

General and administrative expense for the six months ended January 31, 2001 was \$325,000 compared to \$306,000 for the same period last year, an increase of \$19,000 or 7%. This increase was primarily due to a 61% increase in public relations expenses and a 17% increase in insurance expense, offset by a 22% reduction in non-cash expense relating to stock options issued for consulting services.

Income Taxes. New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2001 (July 1, 2000 to June 30, 2001), our company has \$1,774,000 total available tax benefits of which \$602,000 was allocated to be sold between July 1, 2000 and June 30, 2001. In December 2000, we received \$451,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2000. We will attempt to sell the remaining balance of our tax benefits in the amount of approximately \$1,172,000 between July 1, 2001 and June 30, 2002, subject to all existing laws of the State of New Jersey. However, we cannot assure you that we will be able to find a buyer for our tax benefits or that such funds will be available in a timely manner.

Net Income (Loss). We have incurred net losses during each year since our inception. The net loss for the three months ended January 31, 2001 was \$688,000 as compared to a net income of \$24,000 for the same period last year, an increase of \$712,000, primarily due to the sale of our tax benefits. The cumulative loss from the date of inception, August 24, 1981 to January 31, 2001, amounted to \$57,425,000. Such losses are attributable to the fact that we are still in the development stage and accordingly have not derived sufficient revenues from operations to offset the development stage expenses.

Liquidity and Capital Resources

We have financed our operations since inception primarily through equity

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and debt financing, research product sales and interest income. During the three months ended January 31, 2001, we had a net decrease in cash and cash equivalents of \$160,000, which resulted primarily from net cash used in operating activities of \$707,000, offset by net cash provided by financing activities of \$547,000, primarily from the private placement of common stock and warrants and proceeds from the exercise of stock options. Total cash resources as of January 31, 2001 were \$97,000 compared to \$257,000 at July 31, 2000.

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Our current liabilities as of January 31, 2001 were \$586,000 compared to \$590,000 at July 31, 2000, a decrease of \$4,000. The decrease was primarily due to the payment of outstanding payables.

Our continued operations will depend on our ability to raise additional funds through various potential sources such as equity and debt financing, collaborative agreements, strategic alliances, sale of tax benefits, revenues from the commercial sale of ONCONASE(R) and our ability to realize the full potential of our technology and our drug candidates. Such additional funds may not become available as we need them or be available on acceptable terms. To date, a significant portion of our financing has been through private placements of common stock and warrants, the issuance of common stock for stock options and warrants exercised and for services rendered, debt financing and financing provided by our Chief Executive Officer. Additionally, we have raised capital through the sale of our tax benefits. Until our operations generate significant revenues, we will continue to fund operations from cash on hand and through the sources of capital previously described. We believe that our cash and cash equivalents as of January 31, 2001 will be sufficient to meet our anticipated cash needs through April 2001. The report of our independent auditors on our July 31, 2000 financial statements included an explanatory paragraph which states that our recurring losses, working capital deficit and limited liquid resources raise substantial doubt about our ability to continue as a going concern. Our financial statements at July 31, 2000 and January 31, 2001 do not include any adjustments that might result from the outcome of this uncertainty.

We will continue to incur costs in conjunction with our U.S. and foreign registrations for marketing approval of ONCONASE(R). We are currently in discussions with several potential strategic alliance partners, including major international biopharmaceutical companies, to further the development and marketing of ONCONASE(R) and other related products in our pipeline. However, we cannot assure you that any such alliances will materialize. We intend to seek marketing approvals for ONCONASE(R) for the treatment of malignant mesothelioma in foreign territories. In October 2000, we filed an application for Orphan Medicinal Product Designation for ONCONASE(R) with the European Agency for the Evaluation of Medicinal Products, or EMEA. In February 2001, the Committee for Orphan Medicinal Products, or COMP, issued a positive opinion on orphan medicinal product designation of ONCONASE(R). A confirmation of this opinion by the COMP is expected by April 2001. Simultaneously, we are in the process of expanding our clinical program in Germany and Italy. However, we cannot assure you that marketing approval for ONCONASE(R) as a treatment for malignant mesothelioma will be granted.

New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2001 (July 1, 2000 to June 30, 2001), our company has \$1,774,000 total available tax benefits of which \$602,000 was allocated to be sold between July 1, 2000 and June 30, 2001. In December 2000, we received \$451,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2000. We will attempt

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to sell the remaining balance of our tax benefits in the amount of approximately \$1,172,000 between July 1, 2001 and June 30, 2002, subject to all existing laws of the State of New Jersey. However, we cannot assure you that we will be able to find a buyer for our tax benefits or that such funds will be available in a timely manner.

Our common stock was delisted from The Nasdaq SmallCap Market effective at the close of business April 27, 1999 for failing to meet the minimum bid price requirements set forth in the NASD Marketplace Rules. As of April 28, 1999, our common stock trades on the OTC Bulletin Board under the symbol "ACEL". Delisting of our common stock from Nasdaq could have a material adverse effect on our ability to raise additional capital, our stockholders' liquidity and the price of our common stock.

The market price of our common stock is volatile, and the price of the stock could be dramatically affected one way or another depending on numerous factors. The market price of our common stock could also be materially affected by the marketing approval or lack of approval of ONCONASE(R).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

PART II. OTHER INFORMATION

Item 2. (c) Recent Sales of Unregistered Securities

In January 2001, we issued 70,000 shares of common stock upon the exercise of stock options by related parties resulting in gross proceeds of \$30,500, in a transaction consummated as a private sale pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits (numbered in accordance with Item 601 of Regulation S-K).

| Exhibit No. ----- | Item Title ----- | Exhibit No. or Incorporation by Reference ----- |
|-------------------------|---|--|
| 3.1 | Certificate of Incorporation | * |
| 3.2 | By-Laws | * |
| 3.3 | Amendment to Certificate of Incorporation | # |
| 3.4 | Amendment to Certificate of Incorporation | +++ |
| 4.1 | Form of Convertible Debenture | ** |

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| Exhibit No. ----- | Item Title ----- | Exhibit No. or Incorporation by Reference ----- |
|-------------------------|--|--|
| 10.1 | Form of Stock and Warrant Purchase Agreements used in private placements completed April 1996 | |

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| | | |
|-------|--|-------|
| | and June 1996 | ## |
| 10.2 | Lease Agreement - 225 Belleville Avenue, Bloomfield, New Jersey | ### |
| 10.3 | Form of Stock Purchase Agreement and Certificate used in connection with various private placements | *** |
| 10.4 | Form of Stock and Warrant Purchase Agreement and Warrant Agreement used in Private Placement completed on March 21, 1994 | *** |
| 10.5 | The Company's 1993 Stock Option Plan and Form of Option Agreement | ***** |
| 10.6 | Debt Conversion Agreement dated March 30, 1994 with Kuslima Shogen | **** |
| 10.7 | Accrued Salary Conversion Agreement dated March 30, 1994 with Kuslima Shogen | **** |
| 10.8 | Accrued Salary Conversion Agreement dated March 30, 1994 with Stanislaw Mikulski | **** |
| 10.9 | Debt Conversion Agreement dated March 30, 1994 with John Schierloh | **** |
| 10.10 | Option Agreement dated March 30, 1994 with Kuslima Shogen | **** |
| 10.11 | Option Agreement dated March 30, 1994 with Kuslima Shogen | **** |
| 10.12 | Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Kuslima Shogen | **** |
| 10.13 | Form of Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Kuslima Shogen | ***** |
| 10.14 | Form of Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Stanislaw Mikulski | ***** |
| 10.15 | Form of Stock and Warrant Purchase Agreement and Warrant Agreement used in Private Placement completed on September 13, 1994 | + |
| 10.16 | Form of Subscription Agreements and Warrant Agreement used in Private Placements closed in October 1994 and September 1995 | # |
| 10.17 | Common Stock Purchase Agreement by and between the Company and Digital Creations, Inc. dated March 3, 1997 | ### |
| 10.18 | 1997 Stock Option Plan | ### |
| 10.19 | Separation Agreement with Michael C. Lowe dated as of October 9, 1997 | ++ |

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| Exhibit No. ----- | Item Title ----- | Exhibit No. or Incorporation by Reference ----- |
|-------------------------|---|--|
| 10.20 | Form of Subscription Agreement and Warrant Agreement used in Private Placement completed on February 20, 1998 | +++ |
| 10.21 | Form of Warrant Agreement issued to the Placement Agent in connection with the Private Placement completed on February 20, 1998 | +++ |
| 10.22 | Placement Agent Agreement dated December 15, 1997 | +++ |
| 10.23 | Separation Agreement with Gail Fraser dated August 31, 1999 | ++++ |
| 10.24 | Form of Subscription Agreement and Warrant Agreement used in the August and September 2000 Private Placement | +++++ |
| 99.1 | Factors to Consider in Connection with Forward-Looking | |

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Statements

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- * Previously filed as exhibit to the Company's Registration Statement on Form S-18 (File No. 2-79975-NY) and incorporated herein by reference thereto.
- ** Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 1993 and incorporated herein by reference thereto.
- *** Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended January 31, 1994 and incorporated herein by reference thereto.
- **** Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended April 30, 1994 and incorporated herein by reference thereto.
- ***** Previously filed as exhibits to the Company's Registration Statement Form SB-2 (File No. 33-76950) and incorporated herein by reference thereto.
- + Previously filed as exhibits to the Company's Registration Statement on Form SB-2 (File No. 33-83072) and incorporated herein by reference thereto.
- ++ Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997 and incorporated herein by reference thereto.
- +++ Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1998 and incorporated herein by reference thereto.
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- ++++ Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 1999 and incorporated herein by reference thereto.
- +++++ Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2000 and incorporated herein by reference thereto.
- # Previously filed as exhibits to the Company's Annual Report on Form 10-KSB for the year ended July 31, 1995 and incorporated herein by reference thereto.
- ## Previously filed as exhibits to the Company's Registration Statement on Form SB-2 (File No. 333-11575) and incorporated herein by reference thereto.
- ### Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended April 30, 1997 and incorporated herein by reference thereto.
- #### Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 2000 and incorporated herein by reference thereto.

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(b) Reports on Form 8-K.

None

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALFACELL CORPORATION

(Registrant)

March 19, 2001

/s/ KUSLIMA SHOGEN

Kuslima Shogen, Chief Executive
Officer, Acting Chief Financial
Officer (Principal Executive Officer,
Principal Accounting Officer) and
Chairman of the Board

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