

NEUROLOGIX INC/DE
Form 10QSB
August 15, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarter ended June 30, 2007

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

For the transition period from ____ to ____

COMMISSION FILE NUMBER: 000-13347

NEUROLOGIX, INC.

(Exact name of Small Business Issuer in its charter)

DELAWARE
(State or other jurisdiction of
Incorporation or organization)

06-1582875
I.R.S. Employer
Identification No.)

ONE BRIDGE PLAZA, FORT LEE, NEW JERSEY
(Address of principal executive offices)

07024

(201) 592-6451
(Issuer's telephone number)

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N/A

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

Check whether the issuer (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 checkmark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

At August 10, 2007 there were outstanding 26,812,378 shares of the Registrant's Common Stock, \$.001 par value.

Transitional Small Business Disclosure Format: Yes No .

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PART I. FINANCIAL INFORMATION

Item 1 - Financial Statements

NEUROLOGIX, INC.

(A Development Stage Company)

CONDENSED BALANCE SHEET

(UNAUDITED)

(Amounts in thousands, except share and per share data)

	June 30, 2007
	(UNAUDITED)
ASSETS	
Current assets:	
Cash and cash equivalents	\$7,720
Prepaid expenses and other current assets	230
Total current assets	7,950
Equipment, less accumulated depreciation of \$381	213
Intangible assets, less accumulated amortization of \$99	569
Other assets	8
Total Assets	\$8,740
LIABILITIES AND STOCKHOLDERS EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	\$687
Total liabilities	687
Commitments and contingencies	
Stockholders' equity:	
Preferred stock; 5,000,000 shares authorized:	
Series A Convertible, \$.10 par value; 650 shares designated, 645 shares issued and outstanding with an aggregate liquidation preference of \$645	-
Series C Convertible, \$.10 par value; 700,000 shares designated, 406,691 shares issued and outstanding with an aggregate liquidation preference of \$13,906,040	41
Common stock:	
\$.001 par value; 100,000,000 shares authorized, 26,762,378 issued and outstanding	27

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Additional paid-in capital	35,178
Deficit accumulated during the development stage	(27,193)
Total stockholders' equity	8,053
Total Liabilities and Stockholders' Equity	\$8,740

See accompanying notes to the unaudited condensed financial statements.

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NEUROLOGIX, INC.
(A Development Stage Company)
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)
(Amounts in thousands, except share and per share data)

	Six Months		Three Months		For the period February
	Ended June 30, 2007	2006	Ended June 30, 2007	2006	
Operating expenses:					
Research and development	\$2,016	\$1,529	\$1,013	\$982	\$13,415
General and administrative expenses	1,606	1,746	950	776	11,717
Loss from operations	(3,622)	(3,275)	(1,963)	(1,758)	(25,132)
Other income (expense):					
Dividend, interest and other income	215	128	100	104	971
Interest expense-related parties	-	(2)	-	(1)	(411)
Other income, net	215	126	100	103	560
Net loss	(3,407)	(3,149)	(1,863)	(1,655)	\$(24,572)
Preferred stock dividends and charge for accretion of beneficial conversion rights	(590)	(2,771)	(298)	(2,771)	
Net loss applicable to common stock	\$(3,997)	\$(5,920)	\$(2,161)	\$(4,426)	
Net loss applicable to common stock per share, basic and diluted	\$(0.15)	\$(0.22)	\$(0.08)	\$(0.17)	
Weighted average common shares outstanding, basic and diluted	26,569,639	26,542,924	26,596,061	26,542,924	

See accompanying notes to the unaudited condensed financial statements.

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NEUROLOGIX, INC. AND SUBSIDIARY

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

FOR THE PERIOD FROM FEBRUARY 12, 1999 (INCEPTION) THROUGH JUNE 30, 2007

(UNAUDITED)

(In thousands, except share and per share amounts)

	Series C Preferred Stock		Common Stock		Additional Paid-in		Unearned Development		Total
	Shares	Amount	Shares	Amount	Capital	Compensation	Deficit		
							Accumulated	During the	
Sale of common stock to founders	-	\$ 0	6,004,146	\$ 0	\$ 4	\$ 0	\$ 0	\$ 0	\$ 4
Net loss	-	-	-	-	-	-	(328)	-	(328)
Balance, December 31, 1999	-	0	6,004,146	0	4	0	(328)	-	(324)
Net loss	-	-	-	-	-	-	(1,055)	-	(1,055)
Balance, December 31, 2000	-	0	6,004,146	0	4	0	(1,383)	-	(1,379)
Stock options granted for services	-	-	-	-	9	-	-	-	9
Common stock issued for intangible assets at \$0.09 per share	-	-	259,491	-	24	-	-	-	24
Net loss	-	-	-	-	-	-	(870)	-	(870)
Balance, December 31, 2001	-	0	6,263,637	0	37	0	(2,253)	-	(2,216)
Retirement of founder shares	-	-	(33,126)	-	-	-	-	-	-
Common Stock issued pursuant to license agreement at \$1.56 per share	-	-	368,761	-	577	(577)	-	-	-
Private placement of Series B convertible preferred stock	-	-	-	-	2,613	-	-	-	2,613
Amortization of unearned compensation	-	-	-	-	-	24	-	-	24
Net loss	-	-	-	-	-	-	(1,310)	-	(1,310)
Balance, December 31, 2002	-	0	6,599,272	0	3,227	(553)	(3,563)	-	(889)
Sale of Common Stock	-	-	276,054	-	90	(89)	-	-	1
Amortization of unearned compensation	-	-	-	-	-	164	-	-	164
Net loss	-	-	-	-	-	-	(2,274)	-	(2,274)
Balance, December 31, 2003	-	0	6,875,326	0	3,317	(478)	(5,837)	-	(2,998)
Conversion of note payable to Common Stock at \$2.17 per share	-	-	1,091,321	1	2,371	-	-	-	2,372
Conversion of mandatory redeemable preferred stock to Common Stock	-	-	6,086,991	6	494	-	-	-	500
Conversion of Series B convertible preferred stock to Common Stock	-	-	1,354,746	1	(1)	-	-	-	-
Effects of reverse acquisition	-	-	7,103,020	14	5,886	-	-	-	5,900
Amortization of unearned compensation	-	-	-	-	-	202	-	-	202
Stock options granted for services	-	-	-	-	42	-	-	-	42