

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

**FORM 8-K/A No. 3**

**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of**  
**The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) November 12, 2004

Advaxis, Inc.

(Exact name of registrant as specified in its charter)

Colorado

(State or other jurisdiction  
of incorporation)

00028489

(Commission  
File Number)

841521955

(IRS Employer  
Identification No.)

212 Carnegie Center, Ste 206, Princeton, NJ

(Address of principal executive offices)

08540

(Zip Code)

Registrant's telephone number, including area code (609) 844-7755

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This is Amendment No. 32 to the Current Report on Form 8-K dated November 12, 2004 and filed with the Securities and Exchange Commission on November 18, 2004 (the "Original Filing"), for the purpose of amending and restating the financial statements of Advaxis, Inc., a Delaware corporation ("Advaxis") which were initially filed in Amendment No. 1 to Current Report on Form 8-K dated November 12, 2004 and filed with the Securities and Exchange Commission on January 11, 2005 and then subsequently amended and restated and filed in Amendment No. 2 to the Current Report on Form 8-K dated November 12, 2004 and filed with the Securities and Exchange Commission on April 7, 2005.

## **Item 9.01 Financial Statements and Exhibits**

### **A. Financial Statements of Business Acquired**

Advaxis, Inc. Financial Statements for (i) the years ended December 31, 2003 and the period from March 1, 2002 (inception) to December 31, 2002 with independent auditors report (including Balance Sheet, Statement of Operations, Statement of Shareholders' Equity (Deficiency), Statement of Cash Flows, and Notes to Financial Statements) and (ii) the nine-months ended September 30, 2004 and 2003 (unaudited) (including Balance Sheet, Statement of Operations, Statement of Shareholders' Equity (Deficiency), Statement of Cash Flows).

### **B. Pro Forma Financial Information**

None.

### **C. Exhibits**

Exhibit 99.1 Advaxis, Inc. Financial Statements for (i) the year ended December 31, 2003 and the period from March 1, 2002 (inception) to December 31, 2002 with independent auditors report (including Balance Sheet, Statement of Operations, Statement of Shareholders' Equity (Deficiency), Statement of Cash Flows, and Notes to Financial Statements) and (ii) the nine-months ended September 30, 2004 and 2003 (unaudited) (including Balance Sheet, Statement of Operations, Statement of Shareholders' Equity (Deficiency), Statement of Cash Flows).

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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 hereunto duly authorized.

ADVAXIS, INC.

April 11, 2005

By: /s/ J. Todd Derbin

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Name: J. Todd Derbin

Title: President and Chief Executive Officer

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**ADVAXIS, INC.**  
**(a development stage company)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

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<b>Report of Independent Registered Public Accounting Firm</b>	<b>1</b>
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**GOLDSTEIN GOLUB KESSLER LLP**

Certified Public Accountants and Consultants



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors of  
Advaxis, Inc.

We have audited the accompanying balance sheets of Advaxis, Inc. (a development stage company) as of December 31, 2002 and 2003, and the related statements of operations, shareholders' equity (deficiency), and cash flows for the period March 1, 2002 (inception) to December 31, 2002, the year ended December 31, 2003, and the period March 1, 2002 (inception) to December 31, 2003. 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 December 31, 2002 and 2003, and the results of its operations and its cash flows for the period March 1, 2002 (inception) to December 31, 2002, the year ended December 31, 2003, and the period March 1, 2002 (inception) to December 31, 2003 in conformity with United States 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 has incurred losses from operations, has a working capital deficiency and has a shareholders' deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 1. These financial statements do not include any adjustments that may result from the outcome of this uncertainty.

*Goldstein Golub Kessler LLP*

**GOLDSTEIN GOLUB KESSLER LLP**  
New York, New York

April 22, 2004, except for Note 5, Note 8,  
and the last paragraph of Note 4, as to  
which the date is December 20, 2004

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**ADVAXIS, INC.**  
**(a development stage company)**

**BALANCE SHEET**

	December 31,		September 30,	
	2002	2003	2004 (unaudited)	
<b>ASSETS</b>				
Current Asset - cash	\$ 204,382	\$ 47,160	\$ 48,045	
Intangible Assets		277,243	386,743	
<b>Total Assets</b>	<b>\$ 204,382</b>	<b>\$ 324,403</b>	<b>\$ 434,788</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 85,825	\$ 1,018,936	\$ 966,720	
Notes payable, current portion		25,408	607,990	
<b>Total current liabilities</b>	<b>85,825</b>	<b>1,044,344</b>	<b>1,574,710</b>	
Notes Payable, net of current portion	40,000	86,794	404,501	
<b>Total liabilities</b>	<b>125,825</b>	<b>1,131,138</b>	<b>1,979,211</b>	
<b>Commitments and Contingencies</b>				
<b>Shareholders' Equity (Deficiency):</b>				
Convertible Preferred Stock - \$0.001 par value; authorized 50,000 shares; Designated as Series A Preferred Stock - 6,000 shares, issued and outstanding 4,288.96, 3,650.45, and 3,418.18 shares at September 30, 2004, December 31, 2003 and 2002, respectively	\$ 235,000	\$ 250,969	\$ 294,853	
Common stock - \$0.01 par value; authorized 100,000 shares, issued and outstanding 40,000 shares	40	40	40	
Additional paid-in capital	10,453	18,937	24,252	
Deficit accumulated during the development stage	(166,936)	(1,076,681)	(1,863,568)	
<b>Shareholders' equity (deficiency)</b>	<b>78,557</b>	<b>(806,735)</b>	<b>(1,544,423)</b>	
<b>Total Liabilities and Shareholders' Equity (Deficiency)</b>	<b>\$ 204,382</b>	<b>\$ 324,403</b>	<b>\$ 434,788</b>	

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

	Period from March 1, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Period from March 1, 2002 (inception) to December 31, 2003	Nine-month period ended September 30, 2003	Nine-month period ended September 30, 2004	Period from March 1, 2002 (inception) to September 30, 2004
				(unaudited)		(unaudited)
Research and development expenses	\$ 50,899	\$ 491,508	\$ 542,407	\$ 385,077	\$ 228,880	\$ 771,287
General and administrative expenses	117,003	405,568	522,571	337,107	468,132	990,703
Interest expense		17,190	17,190	7,539	46,048	63,238
Other income	966	4,521	5,487	505	57	5,544
Net loss	(166,936)	(909,745)	(1,076,681)	(729,218)	(743,003)	(1,819,684)
Dividends attributed to preferred stock					43,884	43,884
Net loss applicable to common stock	\$ (166,936)	\$ (909,745)	\$ (1,076,681)	\$ (729,218)	\$ (786,887)	\$ (1,863,568)
Basic and diluted net loss per share	\$ (4.17)	\$ (22.74)	\$ (26.92)	\$ (18.23)	\$ (19.67)	\$ (46.59)
Weighted-average number of shares	40,000	40,000	40,000	40,000	40,000	40,000

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



**STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIENCY)**

**Period from March 1, 2002 (inception) to September 30, 2004**

	Preferred Stock Number of Shares Outstanding	\$ Amount	Common Stock Number of Shares Outstanding	\$ Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Shareholders' Equity (Deficiency)
Preferred stock issued	3,418.18	\$ 235,000					\$ 235,000
Common stock issued			40,000	\$ 40	\$ (40)		
Options granted to consultants and professionals					10,493		10,493
Net loss						\$ (166,936)	(166,936)
Balance at December 31, 2002	3,418.18	235,000	40,000	40	10,453	(166,936)	78,557
Note payable converted into preferred stock	232.27	15,969					15,969
Options granted to consultants and professionals					8,484		8,484
Net loss						(909,745)	(909,745)
Balance at December 31, 2003	3,650.45	250,969	40,000	40	18,937	(1,076,681)	(806,735)
(Unaudited): Stock dividend on preferred stock	638.31	43,884				(43,884)	
Options granted to consultants and professionals					5,315		5,315
Net loss						(743,003)	(743,003)
Balance at September 30, 2004	4,200.76	\$ 294,853	40,000	\$ 40	\$ 24,252	\$ (1,863,568)	\$ (1,544,423)

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 CASH FLOWS**

	Period from March 1, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Period from March 1, 2002 (inception) to December 31, 2003	Nine-month period ended September 30, 2003  (unaudited)	Nine-month period ended September 30, 2004  (unaudited)	Period from March 1, 2002 (inception) to September 30, 2004  (unaudited)
Cash flows from operating activities:						
Net loss	\$ (166,936)	\$ (909,745)	\$ (1,076,681)	\$ (729,218)	\$ (743,003)	\$ (1,819,684)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:						
Value assigned to options given as payment to consultants and professionals	10,493	8,484	18,977	8,450	5,315	24,292
Amortization expense					14,970	14,970
Accrued interest on notes payable		3,171	3,171	2,378	27,800	30,971
Increase (decrease) in accounts payable	85,825	933,111	1,018,936	746,205	(52,216)	966,720
<b>Net cash provided by (used in) operating activities</b>	<b>(70,618)</b>	<b>35,021</b>	<b>(35,597)</b>	<b>27,815</b>	<b>(747,134)</b>	<b>(782,731)</b>
Cash flows used in investing activity - cost of intangible assets						
		(277,243)	(277,243)	(248,516)	(124,470)	(401,713)
Cash flows from financing activities:						
Proceeds from notes payable	40,000	85,000	125,000	25,969	872,489	997,489
Net proceeds on issuance of preferred stock	235,000		235,000			235,000
<b>Cash provided by financing activities</b>	<b>275,000</b>	<b>85,000</b>	<b>360,000</b>	<b>25,969</b>	<b>872,489</b>	<b>1,232,489</b>
Net increase (decrease) in cash	204,382	(157,222)	47,160	(194,732)	885	48,045
Cash at beginning of period		204,382		204,382	47,160	
Cash at end of period	\$ 204,382	\$ 47,160	\$ 47,160	\$ 9,650	\$ 48,045	\$ 48,045
<b>Supplemental schedule of noncash financing activities:</b>						
Common stock issued to founders	\$ 40		\$ 40			\$ 40
Notes payable and accrued interest converted to preferred stock		\$ 15,969	\$ 15,969	\$ 15,969		\$ 15,969
Stock dividend on preferred stock					\$ 43,884	\$ 43,884

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)

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 accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the financial statements, the Company has incurred losses from operations, and has a working capital deficit of \$971,776 and \$1,526,665, and a shareholders' deficiency of \$806,735 and \$1,544,423 at December 31, 2003 and September 30, 2004, respectively. Management intends to raise additional funds through equity and to develop technologies that will generate revenue that will allow the Company to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) No. 104, 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 collectibility 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.

For revenue contracts that contain multiple elements, the Company will determine whether the contract includes multiple units of accounting in accordance with EITF No. 00-21, *Revenue Arrangements with Multiple Deliverables*. Under that guidance, 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 which, at times, may exceed federally insured limits.

Intangible assets, which consist primarily of legal costs in obtaining trademarks and patents, are being amortized on a straight-line basis over 15 and 17 years, respectively.

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.

Basic loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the periods. Diluted earnings per share gives effect to dilutive options, warrants and other potential common stock outstanding during the period. Potential common stock has not been included in the computation of diluted loss per share, as the effect would be antidilutive.

Deferred income taxes are provided for the differences between the bases of assets and liabilities for financial reporting and income tax purposes. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates by management. Actual results could differ from these estimates.

The estimated fair value of the notes payable approximates the carrying amount based on the rates available to the Company for similar debt.

Accounts payable consists entirely of trade accounts payable.

Research and development costs are charged to expense as incurred.

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

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2003**

**(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)**

The Company has elected to apply APB Opinion No. 25 and related interpretations in accounting for its stock options granted to employees and has adopted the disclosure-only provisions of SFAS No. 123. Had the Company elected to recognize compensation cost based on the fair value of the options granted at the grant date as prescribed by SFAS No. 123, the Company's net loss would have been as follows:

	Period from March 1, 2002 (date of inception) to December 31, 2002	Year ended December 31, 2003	Nine-month period ended September 30, 2003	2004
Net loss, as reported	\$ (166,936)	\$ (909,745)	\$ (729,218)	\$ (743,00)
Deduct stock options compensation expense determined under fair- value- based method	(8,566)	(32,923)	(4,280)	(61,983)
Adjusted net loss	\$ (175,502)	\$ (942,668)	\$ (733,498)	\$ (804,986)
Basic and diluted loss per share, as reported	\$ (4.17)	\$ (22.74)	\$ (18.23)	\$ (19.67)
Basic and diluted loss per share, pro forma	\$ (4.39)	\$ (23.57)	\$ (18.34)	\$ (20.12)

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 in accordance with the guidance provided in the consensus opinion of the Emerging Issues Task Force ("EITF") Issue 96-18, *Accounting for Equity Instruments that Are Issued to Other than Employees for Acquiring, or in Conjunction With Selling Goods or Services*.

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the requirements of item 310(b) of Regulation S-B. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The results of operations for the nine-month period ended September 30, 2004 are not necessarily indicative of the results of operations expected for the year ended December 31, 2004.

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)

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In the opinion of management, the accompanying unaudited interim financial statements for the nine-month periods ended September 30, 2004 and 2003 include all adjustments (consisting only of those of a normal recurring nature) necessary for a fair statement of the results of the interim period.

2. INTANGIBLE ASSETS:

Intangible assets consist of the following:

December 31, 2003

Trademarks	\$ 8,243
Patents	269,000
	\$ 277,243

Estimated amortization expense is as follows:

Year ending December 31,

2004	\$ 18,483
2005	18,483
2006	18,483
2007	18,483
2008	18,483

During the nine-month period ended September 30, 2004, the Company acquired \$124,470 of new patents. Amortization expense during the period amounted to \$14,970.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)

**3. NOTES PAYABLE:** Notes payable consist of the following:

December 31,	2003	2002
Note payable with interest at 6% per annum, due on December 31, 2005. The amount is mandatorily convertible at the time of the closing of the Company's contemplated \$2,000,000 equity financing into the same class of shares issued at the equity financing at a conversion price per share equivalent to the price per share in the equity financing. Upon closing of an equity financing which is less than \$2,000,000, the holder has the right to convert, at the holder's option, into the same class of shares issued at the equity financing at a conversion price per share equivalent to the price per share in the equity financing.	\$ 10,060	
Note payable with interest at 8% per annum, due on November 10, 2008.	10,112	
Note payable with interest at 8% per annum, due on December 17, 2008.	40,122	
Note payable with interest at 6% per annum, due on December 31, 2004. The amount is mandatorily convertible at the time of the closing of the Company's contemplated \$2,000,000 equity financing into the same class of shares issued at the equity financing at a conversion price per share equivalent to the price per share in the equity financing. Upon closing of an equity financing which is less than \$2,000,000, the holder has the right to convert, at the holder's option, into the same class of shares issued at the equity financing at a conversion price per share equivalent to the price per share in the equity financing.	25,408	

(continued)

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)

December 31,	2003	2002
Note payable with interest at 6% per annum, due on June 30, 2005. The amount is convertible at the holder's option into Series A convertible preferred stock at a price per share of \$68.75.	\$ 26,500	\$ 25,000
Note payable with interest at 6% per annum, due and payable on June 30, 2005. The amount is convertible at the holder's option into Series A convertible preferred stock at a price per share of \$68.75. The full amount of this note plus accrued interest of \$969 was converted into 232.27 shares of Series A preferred stock on September 22, 2003.		15,000
	112,202	40,000
Less current portion	25,408	
	\$ 86,794	\$ 40,000

Aggregate maturities of notes payable at December 31, 2003 are as follows:

Year ending December 31,

2004	\$ 25,408
2005	36,560
2006	
2007	
2008	50,234
	\$ 112,202

During the nine-month period ended September 30, 2004, the Company entered into various convertible loan agreements amounting to \$872,489, which accrue interest at 8% per annum and expire at various dates through 2008. A portion of these loans was converted into common stock at the time of the Company's recapitalization (see Note 8).



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2003**

**(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)**

**4. STOCK OPTIONS:**

The Company has adopted the Advaxis, Inc. 2002 Stock Option Plan (the "Plan"), which allows for grants up to 8,000 shares of the Company's common stock. The Plan shall be administered and interpreted by the Company's board of directors.

Stock option activity during the periods indicated is as follows:

	Options Granted	Weighted- average Exercise Price
Granted from the period March 1, 2002 (inception) to December 31, 2002	4,522	\$ 73.63
Outstanding at December 31, 2002	4,522	73.63
Granted	1,286	97.47
Outstanding at December 31, 2003	5,808	\$ 78.91
Vested and exercisable at December 31, 2003	2,835	\$ 89.55

At December 31, 2003, the weighted exercise prices and weighted-average remaining contractual life of outstanding options were \$78.91 and 8.87 years, respectively.

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants in 2003 and 2002: dividend yield of 0%; average risk-free interest rates of 6%; volatility of 0%; and an expected life of 10 years in each year.

Also under the Plan, the Company has granted 3,430 options to purchase the Company's common stock that are being accounted for under variable plan accounting because these options have an exercise price that is subject to a one-time price adjustment following the next round of equity financing. Accordingly, each period, increases in the stock price of the Company will result in a charge to operations for the increase in the Company's stock price multiplied by the number of these options still outstanding. However, there has been no fluctuation in the Company's stock price from inception to December 31, 2003 and, as such, no charge has been taken on the accompanying statement of operations.

On November 12, 2004, in connection with the recapitalization (see Note 8), the above options were canceled, and employees and consultants were granted options of Great Expectations. The pro forma disclosures in Note 1 are presented for the options outstanding prior to the recapitalization.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)

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- 5. SHAREHOLDERS' EQUITY:** Prior to the recapitalization (see Note 8), the Company had convertible preferred stock with \$.001 par value and 50,000 shares authorized. 6,000 of those shares were designated as Series A and 3,418.18, 3,650.45, and 3,640.45 were issued and outstanding at December 31, 2002, December 31, 2003 and September 30, 2004, respectively. The Company also had 100,000 shares authorized of \$.001 par value common stock with 40,000 shares issued and outstanding at December 31, 2002 and 2003, and at September 30, 2004.

The preferred stock and common stock amounts were retroactively restated to reflect the effects of the recapitalization on November 12, 2004 (see Note 8).

- 6. COMMITMENTS AND CONTINGENCIES:** Pursuant to multiple consulting agreements and a licensing agreement, the Company is contingently liable for the following:

The Company is obligated to pay \$35,500 to two consultants upon receiving financing of \$1,000,000 or greater.

The Company is obligated to pay \$20,000 to two consultants upon receiving financing of \$500,000 or greater and an additional \$20,000 upon receiving financing of \$2,000,000 or greater.

The Company is obligated to pay \$91,000 to two consultants upon receiving financing of \$4,000,000 or greater.

Under a licensing agreement, the Company has agreed to pay \$525,000 over a four-year period as a royalty after the first commercial sale of a product under the license. The Company is also obligated to pay annual license maintenance fees ranging from \$25,000 to \$125,000 per year after the first commercial sale of a product under the license. The Company is also obligated to pay up to \$660,000 to the licensor upon receiving financing. The amount due is contingent upon the size of the financing.

As of December 31, 2003, the Company has an employment agreement with a key executive through December 31, 2004. The agreement shall be automatically renewed for one-year periods unless the Company or the key executive gives the other party written consent of its intent not to renew at least 30 days prior to the end of the term of the contract. The agreement provides for an annual base salary of \$150,000, which will be adjusted to \$225,000 to \$250,000 per annum once the Company closes on its next round of equity financing.

The Company is also obligated under two employment agreements to pay approximately \$220,000 per annum to two employees upon the closing of the next round of equity financing.

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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2003**

**(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)**

**7. INCOME TAXES:** The Company has a net operating loss carryforward of approximately \$1,800,000 available to offset taxable income through 2023.

The tax effects of loss carryforwards give rise to a deferred tax asset and a related valuation allowance as follows:

Net operating losses	\$ 720,000
Less valuation allowance	(720,000)
<b>Deferred tax asset</b>	<b>\$ - 0 -</b>

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

	Period from March 1, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Nine-month period ended September 30, 2004      2003 (unaudited)	
Provision at federal statutory rate	34%	34%	34%	34%
Valuation allowance	(34)	(34)	(34)	(34)
	-0-%	-0-%	-0-%	-0-%

**8. SUBSEQUENT EVENTS:** 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; (ii) all of the issued and outstanding warrants to purchase the Company's common stock, in exchange for warrants to purchase 584,885 shares of Great Expectations; and (iii) all of the issued and outstanding options to purchase the Company's common stock in exchange for an aggregate of 2,381,525 options to purchase common stock of Great Expectations, constituting approximately 96% of the common stock of Great Expectations prior to the issuance of shares of common stock of Great Expectations in the private placement described below. 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. Pursuant to the Recapitalization, there are 17,102,923 common shares outstanding in Great Expectations.

As a result of the transaction, the former shareholders of Advaxis are the controlling shareholders of the Company. Additionally, prior to the transaction, Great Expectations had no substantial assets. Accordingly, the transaction is treated as a recapitalization of a public shell, 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.

Pro forma information has not been presented since the transaction is not a business combination.

Subsequent to September 30, 2004, Great Expectations sold to accredited investors at an initial closing of a private placement offering 117 units at \$25,000 per unit for an aggregate purchase price of \$2,925,000. Great Expectations issued to the Placement Agent and/or its designees an aggregate of 2,057,160 shares of common stock and warrants to acquire up to an aggregate of 2,038,328 shares of common stock. Each unit is comprised of (i) 87,108 shares of common stock, no par value, of Great Expectations ("Common Stock") and (ii) a five-year warrant (each a "Warrant" and collectively the "Warrants") to purchase 87,108 shares of Common Stock at an exercise price of \$0.40 per share. At the initial closing, the accredited investors received an aggregate of 10,191,638 shares of Common Stock

and Warrants to purchase 10,191,638 shares of Common Stock. In addition, on November 12, 2004, \$595,000 aggregate principal amount of convertible promissory notes of the Company ("Advaxis Notes") including accrued interest, were converted into units on the same terms as the Units sold. The holders of the Advaxis Notes received an aggregate of 2,136,441 shares of Common Stock and Warrants to purchase 2,136,441 shares of Common Stock upon conversion of the Advaxis Notes plus accrued interest thereon. As of September 30, 2004, such convertible notes, including accrued interest, amounted to \$580,190. The Company is continuing to market the units and presently intends to market up to a maximum aggregate of \$7,000,000 of said units but, may yet, in its sole discretion, increase the offering to a maximum aggregate of \$10,000,000. Pursuant to the Recapitalization and the first closing of the private placement, there are 31,488,160 common shares outstanding in Great Expectations.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2003**

**(information related to the nine-month periods ended September 30, 2004 and 2003 is unaudited)**

Pursuant to the Recapitalization and the first closing of the private placement, there are 2,381,525 options to purchase the Company's common stock outstanding. These options have a 10-year life and vest ratably over a four-year period. A summary of the options outstanding are as follows:

Options	Exercise Price
1,966,939	\$ 0.1952
14,087	\$ 0.2839
35,639	\$ 0.2870
227,509	\$ 0.3549
137,351	\$ 0.4259
<u>2,381,525</u>	

Pursuant to the Recapitalization and the first closing of the private placement, there are 14,951,292 warrants to purchase the Company's common stock outstanding. A summary of the warrants outstanding are as follows:

Amount	Exercise Price	Expiration
2,543,553	\$ 0.20	2009
35,218	\$ 0.28	2011
142,555	\$ 0.29	2007
2,038,328	\$ 0.29	2009
10,191,638	\$ 0.40	2009
<u>14,951,292</u>		

On December 20, 2004, the Company entered into an Amended and Restated Employment Agreement with J. Todd Derbin, its current chief executive officer and president ("Employment Agreement"). Pursuant to the terms of the Employment Agreement, Mr. Derbin shall serve as the Company's chief executive officer and president for a period of one year commencing on January 1, 2005. The Employment Agreement may be extended, in writing, by the Company and Mr. Derbin. Mr. Derbin's salary shall be \$200,000, provided that it shall be increased to \$225,000 or \$250,000 based upon certain milestones of the Company as set forth in the Employment Agreement. In addition, Mr. Derbin shall be entitled to bonuses in the form of equity and/or cash as set forth in the Employment Agreement and he shall be entitled to receive non-qualified stock options to purchase common stock of the Company (the "Options"), the amount of which when added to his existing 1,172,767 options shall equal 5% of the total issued and outstanding common stock of the Company, as of March 31, 2005. One-half of the Options shall vest on the grant date and one-half of the Options shall vest monthly over four years at a rate of 1/48<sup>th</sup> per month. The grant of the Options is subject to the Company adopting a 2005 Stock Option Plan, which is subject to stockholder approval.