

BRAINSTORM CELL THERAPEUTICS INC
Form 10-Q
November 19, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED September 30, 2008

or

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

FOR THE TRANSITION PERIOD FROM _____ TO _____.

COMMISSION FILE NUMBER 333-61610

BRAINSTORM CELL THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

20-8133057
(I.R.S. Employer
Identification No.)

110 EAST 59th STREET
NEW YORK, NY 10022
(Address of principal executive offices)

(212) 557-9000
(Registrant's telephone number)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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 (Do not check if a smaller reporting company) Smaller reporting company

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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 November 3, 2008, the number of shares outstanding of the registrant's common stock, \$0.00005 par value per share, was 55,241,418

TABLE OF CONTENTS

	Page Number
PART I	
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures About Market Risk	25
Item 4T. Controls and Procedures	26
PART II	
	27
Item 1. Legal Proceedings	27
Item 1A. Risk Factors	28
Item 5. Other Information	28
Item 6. Exhibits	28

PART I: FINANCIAL INFORMATION

SPECIAL NOTE

Unless otherwise specified in this Quarterly Report on Form 10-Q, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars.

Item 1. Financial Statements.

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY
(A development stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2008

IN U.S. DOLLARS IN THOUSANDS

UNAUDITED

INDEX

	Page
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Statements of Changes in Stockholders' Equity (Deficiency)	4 - 6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	7 - 20

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY
(A development stage company)
CONSOLIDATED BALANCE SHEETS
In U.S. dollars in thousands (except share and per share data)

	September 30, 2008 Unaudited	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 21	\$ 86
Restricted cash	40	35
Other receivable and prepaid expenses	87	137
Total current assets	148	258
LONG-TERM INVESTMENTS:		
Prepaid expenses	12	9
Severance pay fund	109	75
Total Long-term investments	121	84
PROPERTY AND EQUIPMENT, NET	783	739
Deferred Charges	-	2
Total assets	1,052	1,083
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES:		
Short term credit from bank	95	-
Trade payables	737	838
Other accounts payable and accrued expenses	1,505	1,049
Short-term convertible loans	169	396
Short-term loan	197	945
Total current liabilities	2,703	3,228
LONG TERM CONVERTIBLE LOANS	-	200
ACCRUED SEVERANCE PAY	136	83
Total liabilities	2,839	3,511
STOCKHOLDERS' DEFICIENCY:		
Stock capital: (Note 7)		
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at September 30, 2008 and December 31, 2007; Issued and outstanding: 55,241,418 and 41,004,409 shares at September 30, 2008 and December 31, 2007, respectively		
	3	2
Subscription on account of shares	133	-
Additional paid-in capital	33,411	30,058
Deficit accumulated during the development stage	(35,334)	(32,488)
Total stockholders' deficiency	(1,787)	(2,428)

Total liabilities and stockholders' deficiency	\$	1,052	\$	1,083
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The accompanying notes are an integral part of the consolidated financial statements.

2

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY
(A development stage company)
CONSOLIDATED STATEMENTS OF OPERATIONS
In U.S. dollars in thousands (except share data)

	Three months ended September 30,		Nine months ended September 30,		Period from September 22, 2000 (inception date) through September 30, 2008
	2008	2007	2008	2007	2008
	Unaudited		Unaudited		Unaudited
Operating costs and expenses:					
Research and development	\$ 455	\$ 524	\$ 1,623	\$ 1,520	\$ 21,828
Less- participation by the Office of the Chief scientist	163	198	458	198	798
Research and development, net	292	326	1,165		