CEL SCI CORP
Form 10-Q
August 19, 2008

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

FORM 10-Q

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

For the quarterly period ended June 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 0-11503

CEL-SCI CORPORATION

Colorado	84-0916344
State or other jurisdiction incorporation	(IRS) Employer Identification Number

8229 Boone Boulevard, Suite 802
Vienna, Virginia 22182
Address of principal executive offices

(703) 506-9460
Registrant's telephone number, including area code

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 preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) had been subject to such filing requirements for the past 90 days.

Yes ____X_____ No __________

Indicate by check mark whether the Registrant is a large accelerated filer, and 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. (Check One):

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] Smaller reporting company [X]
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act).

Yes __________ No ______X_____

Class of Stock	No. Shares Outstanding	Date
Common	117,833,374	August 14, 2008

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1.		Page
	Condensed Consolidated Balance Sheet (unaudited)	3
	Condensed Consolidated Statements of Operations (unaudited)	4-5
	Condensed Consolidated Statement of Cash Flow (unaudited)	6
	Notes to Condensed Consolidated Financial Statements (unaudited)	8
Item 2.		
	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3.		
	Quantitative and Qualitative Disclosures about Market Risks	21
Item 4.		
	Controls and Procedures	21
PART II		
Item 2.		
	Changes in Securities and Use of Proceeds	23
Item 4.		
	Submission of Matters to a Vote of Security Holders	23
Item 5.		
	Other Information	24
Item 6.		
	Exhibits	25
	Signatures	26

CEL-SCI CORPORATION

CONDENSED CONSOLIDATED
BALANCE SHEETS
(unaudited)

ASSETS

	June 30, 2008	September 30, 2007
CURRENT ASSETS		
Cash and cash equivalents	$ 3,161,442	$10,993,021
Interest and other receivables	-	36,393
Prepaid expenses	34,909	34,578
Inventory used for R&D and manufacturing	281,670	385,650
Deposits	14,828	14,828
Total current assets	3,492,849	11,464,470
RESEARCH AND OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS-- Less accumulated depreciation of $1,904,036 and $1,859,644	1,854,754	233,876
PATENT COSTS- less accumulated amortization of $1,074,645 and $896,407	569,743	541,380
RESTRICTED CASH	984,734	2,168,629
AVAILABLE-FOR-SALE SECURITIES	200,000	-
DEFERRED RENT	7,885,366	6,301,364
LONG-TERM INTEREST RECEIVABLE	228,822	21,083
TOTAL ASSETS	$15,216,268	$ 20,730,802

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2008	September 30, 2007
CURRENT LIABILITIES		
Accounts payable	$ 290,501	$ 248,120
Accrued expenses	110,014	98,603
Due to employees	38,506	26,735
Accrued interest on convertible debt	51,174	68,795
Derivative instruments - current portion	847,136	782,732
Deposits held	-	3,000
Total current liabilities	1,337,331	1,227,985
Deferred rent	5,864	1,466
Derivative instruments - noncurrent portion	4,166,192	4,831,252
Total liabilities	5,509,387	6,060,703
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value; authorized, 100,000 shares; no shares issued and outstanding	-	-
Common stock, $.01 par value; authorized, 300,000,000 shares; issued and outstanding, 117,833,374 and 115,678,662 shares at June 30, 2008 and September 30, 2007, respectively	1,178,334	1,156,787
Additional paid-in capital	132,563,735	130,081,378

Accumulated deficit	(124,035,188)	(116,568,066)
Total stockholders' equity	9,706,881	14,670,099
LIABILITIES AND STOCKHOLDERS' EQUITY	$15,216,268	$ 20,730,802

See notes to condensed consolidated financial statements.

CEL-SCI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months Ended June 30, 2008	Nine Months Ended June 30, 2007
REVENUE:		
Grant revenue	$ 3,535	$ 31,779
Rent income	1,530	18,629
Other income	-	1,556
Total revenue	5,065	51,964
EXPENSES:		
Research and development, excluding depreciation of $101,005 and $62,364 included below	3,041,212	1,817,891
Depreciation and amortization	161,211	129,247
General and administrative	3,931,857	5,473,605
Total expenses	7,134,280	7,420,743
LOSS FROM OPERATIONS	(7,129,215)	(7,368,779)
GAIN (LOSS) ON DERIVATIVE INSTRUMENTS	35,157	(818,580)
INTEREST INCOME	430,320	362,777
INTEREST EXPENSE	(378,569)	(1,566,638)
NET LOSS BEFORE INCOME TAXES	(7,042,307)	(9,391,220)
INCOME TAX PROVISION	-	-
NET LOSS	(7,042,307)	(9,391,220)
DIVIDENDS	(424,815)	-
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$(7,467,122)	$(9,391,220)
NET LOSS PER COMMON SHARE (BASIC)	$ (0.06)	$ (0.10)

NET LOSS PER COMMON SHARE (DILUTED)	$ (0.06)	$ (0.10)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC & DILUTED	116,594,797	91,574,113

See notes to condensed consolidated financial statements.

CEL-SCI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30, 2008	2007
REVENUE:		
Grant revenue	$ 3,535	$ -
Rent income	-	5,734
Other income	-	715
Total revenue	3,535	6,449
EXPENSES:		
Research and development, excluding depreciation of $7,246 and $21,086 included below	975,183	632,868
Depreciation and amortization	27,743	45,089
General and administrative	1,177,288	3,104,755
Total expenses	2,180,214	3,782,712
LOSS FROM OPERATIONS	(2,176,679)	(3,776,263)
GAIN (LOSS) ON DERIVATIVE INSTRUMENTS	206,106	(1,090,471)
INTEREST INCOME	94,333	190,112
INTEREST EXPENSE	(113,038)	(878,354)
NET LOSS BEFORE INCOME TAXES	(1,989,278)	(5,554,976)
INCOME TAX PROVISION	-	-
NET LOSS	(1,989,278)	(5,554,976)
DIVIDENDS	(424,815)	-
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$(2,414,093)	$(5,554,976)
NET LOSS PER COMMON SHARE (BASIC)	$ (0.02)	$ (0.05)

NET LOSS PER COMMON SHARE (DILUTED)	$ (0.02)	$ (0.05)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC & DILUTED	117,773,569	108,526,680

See notes to condensed consolidated financial statements.

5

CEL-SCI CORPORATION
CONDENSEDCONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited)

	Nine Months Ended June 30, 2008	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS	$ (7,042,307)	$ (9,391,220)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	161,211	129,247
Penalty shares issued to nonemployees	-	156,350
Issuance of common stock and stock options for services	1,486,054	2,465,039
Common stock contributed to 401(k) plan	79,837	66,779
Employee option cost	398,144	93,948
Consultant option extension	99,181	-
Correction of stock overpayment pricing	1,471	-
Loss (gain) on derivative instruments	(35,157)	818,580
Amortization of discount on convertible debt	199,501	1,107,251
Impairment loss on retirement of equipment	595	-
Loss on abandonment of patents	1,974	-
Increase in deferred rent	4,398	-
Increase in receivables	(171,346)	(46,907)
(Increase) decrease in prepaid expenses	(331)	473,187
Decrease in inventory for R&D and manufacturing	103,980	69,177
Increase in accounts payable	21,510	17,846
Increase in accrued expenses	11,411	21,908
Increase (decrease) in amount due to employees	11,771	(19,986)
Decrease in deposits held	(3,000)	-
(Decrease) increase in accrued interest on convertible debt	(17,621)	39,105
NET CASH USED IN OPERATING ACTIVITIES	(4,688,724)	(3,999,696)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additional investment in manufacturing facility	(2,102,792)	-
Investment in available-for-sale securities	(5,800,000)	-
Sale of investments available-for-sale securities	5,600,000	
Purchase of equipment	(19,082)	(60,105)
Patent costs	(70,384)	(107,324)
NET CASH USED IN INVESTING ACTIVITIES	(2,392,258)	(167,429)
CASH FLOWS FROM FINANCING ACTIVITIES:		

Proceeds from exercise of stock options	14,403	924,866
Private placement proceeds	-	15,032,500
Repayment of convertible notes	(765,000)	(407,500)
Proceeds from short term loan	656,340	-
Repayment of short term loan	(656,340)	
Financing costs	-	(10,170)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(750,597)	15,539,696
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,831,579)	11,372,571
CASH AND CASH EQUIVALENTS:		
Beginning of period	10,993,021	8,080,365
End of period	$ 3,161,442	$ 19,452,936

(continued)

See notes to condensed consolidated financial statements.

CEL-SCI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited)
(continued)

	Nine Months Ended June 30, 2008	
	2008	2007
SUPPLEMENTAL INFORMATION ON NONCASH TRANSACTIONS:		
Patent costs included in accounts payable:		
Increase in accounts payable	$ (20,159)	$ (21,797)
Increase in patent costs	20,159	21,797
	$ -	$ -
Equipment costs included in accounts payable:		
Increase in accounts payable	$ (712)	$ (44,136)
Increase in research and office equipment	712	44,136
	$ -	$ -
Repayment of convertible debt in common stock:		
Decrease in convertible debt	$ -	$ 207,500
Increase in accounts receivable	-	25,655
Increase in common stock	-	(3,431)
Increase in additional paid-in capital	-	(229,724)
	$ -	$ -

Conversion of convertible debt to common stock:

Decrease in convertible debt	$ -	$ 4,399,285
Decrease in accounts receivable	-	(18,558)
Increase in common stock	-	(57,448)
Increase in additional paid-in capital	-	(4,323,279)
	$ -	$ -
Equipment purchased with restricted cash:		
Increase in research and office equipment	$ 1,736,521	$ -
Decrease in restricted cash	(1,736,521)	-
	$ -	$ -
Cost of investor warrant extension:		
Increase in accumulated deficit	$ 424,815	$ -
Increase in additional paid-in capital	(424,815)	-
	$ -	$ -

NOTE:
Interest expense paid during the nine months ended June 30, 2008 and 2007 totaled $189,202 and $420,287, respectively.

See notes to condensed consolidated financial statements.

CEL-SCI CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

THREE AND NINE MONTHS ENDED JUNE 30, 2008 AND 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements of CEL-SCI Corporation and subsidiary (the Company) are unaudited and certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission. While management of the Company believes that the disclosures presented are adequate to make the information presented not misleading, interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's annual report on Form 10-K for the year ended September 30, 2007.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all accruals and adjustments (each of which is of a normal recurring nature) necessary for a fair presentation of the financial position as of June 30, 2008 and the results of operations for the three-month and nine-month periods then ended. The condensed consolidated balance sheet as of September 30, 2007 is derived from the September 30, 2007 audited consolidated financial statements. Significant accounting policies have been consistently applied in the interim financial statements and the annual financial statements. The results of operations for the three-month and nine-month periods ended June 30, 2008 and 2007 are not necessarily indicative of the results to be expected for the entire year.

Significant accounting policies are as follows:

Research and Office Equipment - Research and office equipment is recorded at cost and depreciated using the straight-line method over estimated useful lives of five to seven years. Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Repairs and maintenance which do not extend the life of the asset are expensed when incurred. Depreciation expense for the nine-month period ended June 30, 2008 and 2007 were $101,005 and $62,927, respectively. Depreciation expense for the three-month period ended June 30, 2008 and 2007 were $7,246 and $21,134.

Patents - Patent expenditures are capitalized and amortized using the straight-line method over the shorter of the expected useful life or the legal life of the patent (17 years). In the event changes in technology or other circumstances impair the value or life of the patent, appropriate adjustment in the asset value and period of amortization is made. An impairment loss is recognized when estimated future undiscounted cash flows expected to result from the use of the asset, and from disposition, is less than the carrying value of the asset. The amount of the impairment loss would be the difference between the estimated fair value of the asset

and its carrying value. During the nine-month and three-month periods ended June 30, 2008, the Company recorded patent impairment charges of $1,974 and $0. For the nine-month period ended June 30, 2008 and 2007, amortization of patent costs totaled $60,206 and $66,320, respectively. For the three-month periods ended June 30, 2008 and 2007, amortization of patent costs totaled $20,497 and $23,955 respectively. The Company estimates that amortization expense will be $77,846 for each of the next five years, totaling $389,230.

Research and Development Costs - Research and development expenditures are expensed as incurred. Total research and development costs, excluding depreciation, were $3,041,212 and $1,817,891 for the nine months ended June 30, 2008 and 2007. For the three months ended June 30, 2008 and 2007, total research and development costs were $975,183 and $632,868, respectively.

Income Taxes - The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating and tax loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be recognized.

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") effective January 1, 2007. FIN 48 provides a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. The Company did not have any unrecognized tax benefits and there was no effect on its financial condition or results of operations as a result of implementing FIN 48. The Company elected to continue to report any interest and penalties as income taxes. No interest or penalties were accrued as a result of the adoption of FIN 48.

Stock-Based Compensation - In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment". SFAS No. 123R requires companies to recognize expense associated with share based compensation arrangements, including employee stock options, using a fair value-based option pricing model. SFAS No. 123R applies to all transactions involving issuance of equity by a company in exchange for goods and services, including employees. Compensation expense has been recognized for awards that were granted, modified, repurchased or cancelled on or after October 1, 2005 as well as for the portion of awards previously granted that vested during the period ended June 30, 2008. For the nine months ended June 30, 2008 and 2007, the Company recorded $398,144 and $93,948, respectively in general and

administrative expense for the cost of employee options. The Company's options vest over a three-year period from the date of grant. After one year, the stock is one-third vested, with an additional one-third vesting after two years and the final one-third vesting at the end of the three-year period. There were 1,335,000 and -0- options granted to employees during the nine-month periods ended June 30, 2008 and 2007. Options are granted with an exercise price equal to the closing price of the Company's stock on the day before the grant. The Company determines the fair value of the employee compensation using the Black Scholes method of valuation.

During the nine months ended June 30, 2008, no options from the non-qualified plan vested. During the nine months ended June 30, 2008, no options from the incentive stock option plan vested.

The Company has Incentive Stock Option Plans, Non-Qualified Stock Option Plans, a Stock Compensation Plan and Stock Bonus Plans. All Stock Option and Bonus Plans have been approved by the stockholders. A summary description of these Plans follows. In some cases these Plans are collectively referred to as the "Plans".

Incentive Stock Option Plan. The Incentive Stock Option Plans authorize the issuance of shares of the Company's common stock to persons who exercise options granted pursuant to the Plan. Only Company employees may be granted options pursuant to the Incentive Stock Option Plan.

To be classified as incentive stock options under the Internal Revenue Code, options granted pursuant to the Plans must be exercised prior to the following dates:

(a) The expiration of three months after the date on which an option holder's employment by the Company is terminated (except if such termination is due to death or permanent and total disability);

(b) The expiration of 12 months after the date on which an option holder's employment by the Company is terminated, if such termination is due to the Employee's permanent and total disability;

(c) In the event of an option holder's death while in the employ of the Company, his executors or administrators may exercise, within three months following the date of his death, the option as to any of the shares not previously exercised;

The total fair market value of the shares of common stock (determined at the time of the grant of the option) for which any employee may be granted options which are first exercisable in any calendar year may not exceed $100,000.

Options may not be exercised until one year following the date of grant. Options granted to an employee then owning more than 10% of the common stock of the Company may not be exercisable by its terms after five years

from the date of grant. Any other option granted pursuant to the Plan may not be exercisable by its terms after ten years from the date of grant.

The purchase price per share of common stock purchasable under an option is determined by the Committee but cannot be less than the fair market value of the common stock on the date of the grant of the option (or 110% of the fair market value in the case of a person owning more than 10% of the Company's outstanding shares).

Non-Qualified Stock Option Plans. The Non-Qualified Stock Option Plans authorize the issuance of shares of the Company's common stock to persons that exercise options granted pursuant to the Plans. The Company's employees, directors, officers, consultants and advisors are eligible to be granted options pursuant to the Plans, provided however that bona fide services must be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction. The option exercise price is determined by the Committee but cannot be less than the market price of the Company's common stock on the date the option is granted.

During the nine months ended June 30, 2008 and 2007, 50,467 and 564,966 options were exercised. All options exercised were from the non-qualified plans. The total intrinsic value of options exercised during the nine months ended June 30, 2008 and 2007 was $17,691 and $294,081, respectively. The total intrinsic value of options exercised during the three months ended June 30, 2008 and 2007 was $0 and $83,521, respectively.

Options to non-employees are accounted for in accordance with FASB's 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. Accordingly, compensation is recognized when goods or services are received and is measured using the Black-Scholes valuation model. The Black-Scholes model requires management to make assumptions regarding the fair value of the options at the date of grant and the expected life of the options. There were no options granted to non-employees during the nine months ended June 30, 2008. There were 516,000 shares of common stock issued to consultants during the nine months ended June 30, 2008 at a cost for the nine months ended June 30, 2008 of $92,986. During the nine months ended June 30, 2008, 2,016,176 options to non-employees were extended. See note D. For the nine months ended June 30, 2007, common stock and options with a value of $2,187,039 were issued for services.

B. NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, FASB issued SFAS No. 157, "Fair Value Measurements". The statement defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those

fiscal years. In September 2007, the FASB provided a one-year deferral for the implementation of SFAS 157 with regard to nonfinancial assets and liabilities. The Company is evaluating whether this statement will affect its current practice in valuing fair value of its derivatives each quarter.

In February 2007, FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 15". The Statement permits companies to choose to measure many financial instruments and certain other items at fair value. The statement is effective for fiscal years that begin after November 15, 2007, but early adoption is permitted. The Company is evaluating the effect of the adoption of this statement.

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 (revised 2007), Business Combinations, which replaces SFAS No. 141R. The statement retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. SFAS No. 141R is effective beginning October 1, 2009 and will apply prospectively to business combinations completed on or after that date.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB 51, which changes the accounting and reporting for minority interests. Minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and, upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective beginning October 1, 2009 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively. The Company is currently assessing the potential impact that adoption of SFAS No. 160 would have on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133, which changes disclosure requirements for derivative instruments and hedging activities. The statement is effective for periods ending on or after November 15, 2008, with early application encouraged. The Company is currently assessing the additional requirements of this statement.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles, which redirects the GAAP hierarchy to entities instead of auditors. It is not expected to change the way in which the Company applies GAAP standards to its financial statements.

In April 2008, the FASB staff issued FSP FAS 142-3, Determination of the Useful Life of Intangible Assets, which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, Goodwill and Other Intangible Assets. The staff position is intended to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141, Business Combinations, and other U.S. generally accepted accounting principles (GAAP). The Company is currently assessing the potential impact of this staff position on its consolidated financial statements.

C. AVAILABLE-FOR-SALE SECURITIES

At June 30, 2008, the Company had $200,000 in face value of Auction Rate Cumulative Preferred Shares (ARPs), liquidation preference of $25,000 per share, of an income mutual fund. The ARPs are invested primarily in a globally diversified portfolio of convertible instruments, common and preferred stocks, and income producing securities such as investment grade and below investment grade (high yield/high risk) debt securities. All of the ARPs had credit ratings of AAA when purchased and still have the AAA rating today. None of the ARPs are mortgage-backed debt. Historically, ARPs have been highly liquid, using a Dutch auction process that resets the applicable interest rates weekly to provide liquidity at par. However, as a result of liquidity issues experienced in the global credit and capital markets, the auctions for all of our remaining ARPs since February 29, 2008 have failed. As a result thereof we are now collecting interest at a higher rate, pursuant to the ARPs agreement. The failures of these auctions do not affect the value of the collateral underlying the ARPs and we will continue to earn and receive interest at contractually set rates. On May 6, 2008, the fund company announced the redemption of $300 million or, 85.7% of the ARPs on various dates between May 19, 2008 and May 23, 2008 subject to the investment fund lottery system. All of the Company's ARPs, except for the currently held $200,000, were redeemed. Until redemption or when these remaining ARPs are completely refinanced, the Company has the ability to borrow against 100% of the ARPs (see Note F).

The fund holding the Auction Rate Preferred Shares must maintain, 1) asset coverage of the Preferred Shares as required by the rating agency or agencies rating the Preferred Shares; and 2) asset coverage of at least 200% with respect to senior securities that are stock, including the Preferred Shares. In the event that the Fund does not maintain or cure failures to maintain these coverage tests, some or all of the Preferred Shares will be subject to mandatory redemptions. Based on the composition of the Fund's portfolio as of August 31, 2007, the asset coverage of the

Preferred Shares as measured pursuant to the 1940 Act was approximately 336%. There have been no defaults of the underlying collateral and interest continues to be paid at the contractual rate and in a timely manner.

The Company continues to carry the ARPs at par value as the Company believes that it will be able to collect all amounts due. This conclusion is supported by the fact that the issuer has already refinanced $300 million of the $350 million outstanding ARPs at full value. During the quarter ended June 30, 2008, the Company redeemed $5.6 million of these ARPs at full value.

D. STOCKHOLDERS' EQUITY

In November and December 2007, the Company extended 1,905,633 employee options and 2,016,176 investor and consultant warrants. The options and warrants were due to expire from December 1, 2007 through December 31, 2008. All options and warrants were extended for an additional five years from the original expiration date. The cost of the extension of employee options of $465,008 was recorded as a debit to general and administrative expense and a credit to additional paid-in capital. The cost of the extension of investor warrants of $424,815 was recorded as a debit to accumulated deficit (dividend) and a credit to additional paid-in capital. The cost of the extension of the consultant warrants of $99,181 is recorded as a debit to general and administrative expense and a credit to additional paid-in capital. The additional cost of the extension of employee options and investor and consultant warrants was determined using the Black Scholes method.

In January and March, 2008, the Company issued 1,116,020 shares of restricted common stock to employees. The stock was valued at prices ranging from $0.52 to $0.62. The total cost of the stock issued to employees was $687,830. The cost of the stock for the nine months ended June 30, 2008 of $49,101 was expensed to research and development ($18,171) and general and administrative expense ($30,930). In addition, on February 26, 2008, the Company issued a total of 258,000 shares of restricted common stock to two consultants at $0.52 per share for a total cost of $134,160. This stock will be expensed over the period of the contracts with the consultants. The expense from the time of issuance through June 30, 2008 was $45,580. In April 2008, an additional 258,000 shares of restricted common stock to two consultants were issued at $0.69 and $0.53 for a total cost of $158,020. The stock will be expensed over the remaining period of the contracts with the consultants. The expense from the time of issuance through June 30, 2008 was $47,406.

E. SERIES K CONVERTIBLE DEBT

In August 2006, the Company issued $8,300,000 in aggregate principal amount of convertible notes (the "Series K Notes") together with warrants to purchase 4,825,581 shares of the Company's common stock (the Series K Warrants"). Additionally, in connection with issuance of the Series K Notes and Series K Warrants, the placement agent received a fee of $498,000 and 386,047 fully vested warrants (the "Placement Agent

Warrants") to purchase shares of the Company's common stock. Net proceeds were $7,731,290, net of $568,710 in direct transaction costs, including the placement agent fee.

The Series K Notes were convertible into 10,480,000 shares of the Company's common stock at the option of the holder at any time prior to maturity at a conversion price of $0.75 per share, subject to adjustment for certain events. The Series K Warrants are exercisable over a five-year period from February 4, 2007 through February 4, 2012 at $0.75 per share.

The Series K Notes bear interest at the greater of 8% or the six month LIBOR plus 300 basis points, and are required to be repaid in thirty equal monthly installments of $207,500 beginning on March 4, 2007 and continuing through September 4, 2010. Any remaining principal balance is required to be repaid on August 4, 2011; however, holders of the Series K Notes may require repayment of the entire remaining principal balance at any time after August 4, 2010. Interest is payable quarterly beginning September 30, 2006. Each payment of principal and accrued interest may be settled in cash or in shares of common stock at the option of the Company. The number of shares deliverable under the share-settlement option is determined based on the lower of (a) $0.75 per share, as adjusted pursuant to the terms of the Series K Notes or (b) 90% applied to the arithmetic average of the volume-weighted-average trading prices for the twenty day period immediately preceding each share settlement. The Company may not make payments in shares if such payments would result in the cumulative issuance of shares of its common stock exceeding 19.999% of the shares outstanding on the day immediately preceding the issuance date of the Series K Notes, unless prior approval is given by vote of at least a majority of the shares outstanding. The Company received such approval on November 17, 2006.

The Company is accounting for the Series K Warrants as derivative liabilities in accordance with SFAS No. 133. A debt discount of $1,734,472 is being amortized to interest expense using the effective interest method over the expected term of the Series K Notes. During the nine-month periods ended June 30, 2008 and 2007, the Company recorded interest expense of $199,501 and $764,776, respectively, in amortization of the debt discount. As of June 30, 2008, the fair value of the Series K notes is $2,622,639 and the fair value of the investor and placement agent warrants is $2,390,689. The Company recorded a gain on derivative instruments of $35,157 and a loss of $818,580 during the nine months ended June 30, 2008 and 2007, respectively. For the three months ended June 30, 2008 and 2007, the Company recorded a gain on derivative instruments of $206,106 and a loss of $1,090,471, respectively.

During the nine months ended June 30, 2008, no Series K notes were converted into shares of common stock. During the nine months ended June 30, 2007, $4,399,285 in Series K notes were converted into 5,744,764 shares of common stock. During the nine months ended June 30, 2008, principal payments of $765,000 were made to the holders of the Series K notes. As of June 30, 2008, $2,520,716 of the Series K Notes remained.

15

CEL-SCI CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

THREE AND NINE MONTHS ENDED JUNE 30, 2008 AND 2007

The following summary comprises the total of the fair value of the convertible debt and related derivative instruments at June 30, 2008 and

September 30, 2007:

	June 30, 2008	September 30, 2007
Face value of debt	$2,520,715	$3,285,715
Discount on debt	(243,585)	(443,086)
Investor warrants	1,734,472	1,734,472
Placement agent warrants	177,088	192,826
Fair value adjustment-convertible debt	345,509	168,207

Fair value adjustment-investor warrants	479,129	675,850
Total fair value	$5,013,328	$5,613,984

F. SHORT-TERM LOAN

The Company has a line of credit through its bank to borrow up to 100% of the ARPs (see Note C) at an interest rate of prime minus 1% (5% at June 30, 2008). As of March 31, 2008, the Company had borrowed $656,340, but the loan was paid back during the quarter ended June 30, 2008. During the nine and three months ended June 30, 2008, the Company had paid $7,486 and $6,947 in interest on the line of credit. The line of credit is secured by the ARPs. The line of credit will not expire as long as the Company holds the ARPs.

G. OPERATIONS AND FINANCING

The Company has incurred significant costs since its inception in connection with the acquisition of an exclusive worldwide license to and later acquisition of the technology of certain patented and unpatented proprietary technology and know-how relating to the human immunological defense system, patent applications, research and development, administrative costs, construction of laboratory facilities and clinical trials. The Company has funded such costs with proceeds realized from the public and private sale of its common and preferred stock. The Company will be required to raise additional capital or find additional long-term financing in order to continue with its research efforts and to stay in business. To date, the Company has not generated any revenue from product sales. The ability of the Company to complete the necessary clinical trials and obtain FDA approval for the sale of products to be developed on a commercial basis is uncertain. The Company plans to seek continued funding of the Company's development by raising additional capital. Management feels that it is in a good position to raise the necessary funds for the development of Multikine during the course of the next 12 months. Now that

the Company is a Phase III company with an almost completed manufacturing facility, the Company is significantly more attractive to pharmaceutical partners and/or investors and management believes that partnering activities and/or financing activities will fund the expenditures of the Company. This belief is supported by the Company's recent (August 2008) licensing agreement with Teva Pharmaceutical Industries Ltd. (Teva), a leading global pharmaceutical company. The Company is currently in partnering discussions with various parties for other licensing agreements. In addition the Company has in place a $10 million shelf registration.

The Company has invested in ARPs (See Note C). Because of liquidity issues with these ARPs, the Company borrowed $656,340 on a line of credit which was paid off when the $5.6 million in ARPs were sold in May 2008. The Company now holds only $200,000 in ARPs. In the meantime, the Company has access to 100% of the invested assets through a line of credit with the Company's bank.

H. DIVIDENDS

The Company has paid no dividends to shareholders since inception. The cost of the extension of investor warrants during the nine months ended June 30, 2008 of $424,815 is recorded as a dividend, and increases the accumulated deficit.

I. COMMITMENTS AND CONTINGENCIES

Lease Agreement - In August 2007, the Company leased a building near Baltimore, Maryland. The building, which consists of approximately 73,000 square feet, will be remodeled in accordance with the Company's specifications so that it can be used by the Company to manufacture Multikine for the Company's Phase III clinical trial and sales of the drug if approved by the FDA. The lease is for a term of twenty years and requires annual base rent payments of $1,575,000 during the first year of the lease. The annual base rent escalates each year at 3%. The Company is also required to pay all real and personal property taxes, insurance premiums, maintenance expenses, repair costs and utilities. The lease allows the Company, at its election, to extend the lease for two ten-year periods or to purchase the building at the end of the 20-year lease. The lease requires the Company to pay $3,150,000 towards the remodeling costs, which will be recouped by reductions in the annual base rent of $303,228 in years six through twenty of the lease. On January 24, 2008, a second amendment to the lease for the manufacturing facility was signed. In accordance with the amendment, the Company is required to pay the following: 1) an additional $518,790 for movable equipment, which will increase restricted cash, and 2) an additional $1,295,528 into an escrow account to cover additional costs, which will increase deferred rent. These funds were transferred in early February 2008. In April 2008, an additional $288,474 was paid toward the completion of the manufacturing facility.

J. SUBSEQUENT EVENTS

On August 18, 2008, the Company signed legally binding documentation for a $1,037,500 financing. Shares were sold at $0.75, a significant premium

over the closing price of the Company's common stock. The shares are accompanied by 2,075,084 warrants with an exercise price of $0.75. The shares have no registration rights. Upon approval of this transaction by the American Stock Exchange, the Company will issue the shares and warrants and will receive the funds.

CEL-SCI CORPORATION

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

The Company has had only limited revenues from operations since its inception in March 1983. The Company has relied upon proceeds realized from the public and private sale of its Common Stock and convertible notes as well as short-term borrowings to meet its funding requirements. Funds raised by the Company have been expended primarily in connection with the acquisition of an exclusive worldwide license to, and later purchase of, certain patented and unpatented proprietary technology and know-how relating to the human immunological defense system, patent applications, the repayment of debt, the continuation of Company sponsored research and development and administrative costs, and the construction of laboratory facilities. Inasmuch as the Company does not anticipate realizing significant revenues until such time as it enters into licensing arrangements regarding its technology and know-how or until such time it receives permission to sell its product (which could take a number of years), the Company has been dependent upon the proceeds from the sale of its securities to meet all of its liquidity and capital resource requirements and will have to continue doing so in the future.

During the nine-month period ended June 30, 2008 and 2007, the Company used cash totaling $7,831,579 and had a net increase in cash of $11,372,571, respectively. For the nine months ended June 30, 2008 and 2007, cash used in operating activities totaled $4,688,724 and $3,999,696. For the nine months ended June 30, 2008 and 2007, cash used by financing activities totaled $750,597 and cash provided by financing activities totaled $15,539,696, respectively. Repayment of convertible notes ($765,000) was used in financing activities and cash was provided by the exercise of employee options ($14,403) during the nine months ended June 30, 2008. For the nine months ended June 30, 2007, cash provided by financing activities of $15,539,696 was from the exercise of employee options (924,866) and private placement proceeds ($15,032,500), partially offset by financing costs of $10,170. Cash used in investing activities was $2,392,258 and $167,429 for the nine months ended June 30, 2008 and 2007. This consisted of purchases of equipment and legal costs incurred in patent applications and, for the nine months ended June 30, 2008, an additional investment in the manufacturing facility of $2,102,792 and an increase in available for sale securities of $5,800,000 offset by the sale of securities totaling $5,600,000.

The Company has invested in ARPs (See Note C). Because of liquidity issues with these ARPs, the Company borrowed $656,340 on a line of credit which was paid off in May. The Company has access to 100% of the invested assets through a line of credit with the Company's bank. The Company holds $200,000 in ARPs at June 30, 2008.

Results of Operations and Financial Condition

Grant revenue decreased by $28,244 during the nine months ended June 30, 2008, compared to the same period of the previous year, due to the completion of the work funded by the grants. The final grant ended on March 31, 2007. A training grant from the State of Maryland was received during the nine months ended June 30, 2008. Grant revenue increased by $3,535 during the three months

ended June 30, 2008 compared to the same period of the previous year because the training grant was received.

During the nine-month period ended June 30, 2008, research and development expenses increased by $1,223,321 compared to the nine month-month period ended June 30, 2007. This increase was due to expenses relating to the preparation for the Phase III clinical trial on Multikine. The Company is preparing for the opening of the manufacturing facility. During the three months ended June 30, 2008, research and development expenses increased by $342,315 over the three months ended June 30, 2008 for the same reason.

During the nine-month period ended June 30, 2008, general and administrative expenses decreased by $1,541,748 compared to the nine-month period ended June 30, 2007. This change was primarily due to stock issued to consultants in 2007. During the three months ended June 30, 2008, general and administrative expenses decreased by $1,927,467 compared to the three months ended June 30, 2007 for the same reason.

Interest income during the nine months ended June 30, 2008 increased by $67,543 compared to the nine-month period ended June 30, 2007. The increase was due to interest earned on the funds received from the April 2007 financing. Interest income decreased during the three months ended June 30, 2008 from the same period ended June 30, 2007 by $95,779. The decrease was caused by the investment in the manufacturing facility and equipment for the manufacturing facility which resulted in a decrease in the funds available for investment.

The gain on derivative instruments of $35,157 for the nine months ended June 30, 2008, and for the three months ended June 30, 2008, of $206,106 was the result of the change in fair value of the Series K Notes and Series K Warrants during the period. These gains were caused by fluctuations in the share price of the Company's common stock.

The interest expense of $378,569 for the nine months ended June 30, 2008 was composed of three elements: 1) amortization of the Series K discount ($199,501), 2) interest paid and accrued on the Series K debt ($171,582) and 3) margin interest ($7,486). This is a decline of approximately $1,188,069 from the nine months ended June 30, 2007 because of the lower balance of Series K debt. During the three months ended June 30, 2008, the interest expense was $113,038, a decrease of $765,316 from the three months ended June 30, 2007. This decline is due to the lower balance of the Series K debt. Amortization of the Series K discount for the three months ended June 30, 2008 was $54,917 and interest accrued on the series K debt totaled $51,174. Additional interest expense on the short term loan totaled $6,947.

Research and Development Expenses

During the nine and three-month periods ended June 30, 2008 and 2007, the Company's research and development efforts involved Multikine and L.E.A.P.S.(TM). The table below shows the research and development expenses associated with each project during the nine and three-month periods.

	Nine Months Ended June 30, 2008	Nine Months Ended June 30, 2007	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007
MULTIKINE	$2,766,414	$1,583,032	$ 901,069	$ 550,896
L.E.A.P.S	274,798	234,859	74,114	81,972
TOTAL	$3,041,212	$1,817,891	$ 975,183	$ 632,868

In January 2007, the Company received a "no objection" letter from the FDA indicating that it could proceed with the Phase III protocol with Multikine in head & neck cancer patients. The protocol for the Phase III clinical trial was designed to develop conclusive evidence of the safety and efficacy of Multikine in the treatment of advanced primary squamous cell carcinoma of the oral cavity. The Company had previously received a "no objection" letter from the Canadian Biologics and Genetic Therapies Directorate which enabled the Company to begin its Phase III clinical trial in Canada.

As of June 30, 2008, the Company was involved in a number of pre-clinical studies with respect to its L.E.A.P.S. technology. The Company does not know what obstacles it will encounter in future pre-clinical and clinical studies involving its L.E.A.P.S. technology. Consequently, the Company cannot predict with any certainty the funds required for future research and clinical trials and the timing of future research and development projects.

Clinical and other studies necessary to obtain regulatory approval of a new drug involve significant costs and require several years to complete. The extent of the Company's clinical trials and research programs are primarily based upon the amount of capital available to the Company and the extent to which the Company has received regulatory approvals for clinical trials. The inability of the Company to conduct clinical trials or research, whether due to a lack of capital or regulatory approval, will prevent the Company from completing the studies and research required to obtain regulatory approval for any products which the Company is developing. Without regulatory approval, the Company will be unable to sell any of its products.

In August 2007, the Company leased a building near Baltimore, Maryland. The building, which consists of approximately 73,000 square feet, will be remodeled in accordance with the Company specifications so that it can be used by the Company to manufacture Multikine for the Company's Phase III clinical trial and sales of the drug if approved by the FDA. The lease is for a term of twenty years and requires annual base rent payments of $1,575,000 during the first year of the lease. The annual base rent escalates each year at 3%. the Company is also required to pay all real and personal property taxes, insurance premiums, maintenance expenses, repair costs and utilities. The lease allows the Company, at its election, to extend the lease for two ten-year periods or to purchase the building at the end of the 20-year lease. The lease required the Company to pay $3,150,000 towards the remodeling costs, which will be recouped by reductions in the annual base rent of $303,228 in years six through twenty of the lease. In January 2008, the Company signed a second amendment to the lease. In accordance with the lease, on February 8, 2008, the Company paid an additional $1,295,528 toward the remodeling costs and a further $518,790 to pay for lab equipment. In addition, in April 2008, an additional $288,474 was paid for the completion of the facility. The building is expected to be ready for occupancy late in the third calendar quarter of 2008.

Regulatory authorities prefer to see biologics such as Multikine manufactured for commercial sale in the same manufacturing facility for Phase III clinical trials and the sale of the product since this arrangement helps to ensure that the drug lots used to conduct the clinical trials will be consistent with those that may be subsequently sold commercially. Although some biotech companies outsource their manufacturing, this can be risky with biologics because they require intense manufacturing and process control. With biologic products a minor change in manufacturing and process control can result in a major change in the final product. Good and consistent manufacturing and process control is critical and is best assured if the product is manufactured and controlled in the manufacturer's own facility by their own specially trained personnel. Since all of the Company's projects are under development, the Company cannot predict when it will be able to generate any revenue from the sale of any of its products.

Critical Accounting Estimates and Policies

Management's discussion and analysis of the Company's financial condition and results of operations is based on its unaudited condensed consolidated financial statements. The preparation of these financial statements is based on the selection of accounting policies and the application of significant accounting estimates, some of which require management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and notes. The Company believes some of the more critical estimates and policies that affect its financial condition and results of operations are in the areas of revenue recognition, operating leases, asset retirement obligations, stock-based compensation and income taxes. For more information regarding the Company's critical accounting estimates and policies, see Part II, Item 7, MD&A "Critical Accounting Estimates and Policies" of the Company's 2007 10-K. We have discussed the application of these critical accounting policies and estimates with the Audit Committee of the Company's Board of Directors.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As of June 30, 2008, the Company had outstanding Series K Notes and Series K Warrants which were classified as derivative financial instruments. Interest on the Series K Notes is tied to the 6-month LIBOR. Should the 6-month LIBOR increase, interest payments on the Series K debt may increase as well.

The Company had available-for-sale securities totaling $200,000 as of June 30, 2008. The Company has the ability to borrow $200,000 on a line of credit secured by these securities. Interest on the line of credit is at Prime minus 1%. If the prime rate increases, interest payments on the line of credit would increase as well.

Item 4.T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Geert Kersten, CEL-SCI's Chief Executive and Financial Officer, has evaluated the effectiveness of CEL-SCI's disclosure controls and procedures as of June 30, 2008, and in his opinion CEL-SCI's disclosure controls and procedures are effective and ensure that material information relating to CEL-SCI, including CEL-SCI's consolidated subsidiary, is made known to him by others within those entities, particularly during the period in which this report is being prepared, so as to allow timely decisions regarding required disclosure. The Company has determined that these controls and procedures are effective as of June 30, 2008.

Changes in Internal Control over Financial Reporting

To the knowledge of Mr. Kersten, there have been no significant changes in CEL-SCI's internal controls or in other factors that could significantly affect CEL-SCI's internal controls subsequent to the date of evaluation. The Company continues to evaluate its internal controls.

PART II

Item 2. Changes in Securities and Use of Proceeds

In April 2008 CEL-SCI issued 258,000 shares of its common stock to two consultants for services rendered. CEL-SCI relied upon the exemption provided by Section 4(2) of the Securities Act of 1933 with respect to the issuance of these shares. The persons who acquired these shares were sophisticated investors and were provided full information regarding CEL-SCI. There was no general solicitation in connection with the issuance of the shares. The persons who acquired these shares acquired them for their own accounts. The certificates representing the shares of common stock will bear a restricted legend providing that they cannot be sold except pursuant to an effective registration statement or an exemption from registration. No commission or other form of remuneration was given to any person in connection with the issuance of these shares.

Item 4. Submission of Matters to a Vote of Security Holders

The annual meeting of CEL-SCI's shareholders was held on March 3, 2008. At the meeting the following persons were elected as directors for the upcoming year:

Name	Votes For	Votes Withheld
Maximilian de Clara	77,883,141	3,911,418
Geert Kersten	78,836,734	2,957,825
Alexander Esterhazy	79,118,263	2,676,296
C. Richard Kinsolving	79,280,474	2,514,085
Peter R. Young	79,181,763	2,612,796

At the meeting the following proposals were ratified by the shareholders.

(1) to approve the adoption of CEL-SCI's 2008 Incentive Stock Option Plan which provides that up to 1,000,000 shares of common stock may be issued upon the

exercise of options granted pursuant to the Incentive Stock Option Plan;

(2) to approve the adoption of CEL-SCI's 2008 Non-Qualified Stock Option Plan which provides that up to 1,000,000 shares of common stock may be issued upon the exercise of options granted pursuant to the Non-Qualified Stock Option Plan;

(3) to approve the adoption of CEL-SCI's 2008 Stock Bonus Plan which provides that up to 1,000,000 shares of common stock may be issued to persons granted stock bonuses pursuant to the Stock Bonus Plan;

(4) to approve an amendment to CEL-SCI's Stock Compensation Plan to provide for the issuance of up to 1,000,000 additional restricted shares of common stock to CEL-SCI's directors, officers, employees and consultants for services provided to the Company;

(5) subject to the determination of CEL-SCI's directors that a reverse split would be in the best interest of CEL-SCI's shareholders, to approve a reverse split of CEL-SCI's common stock;

24

(6) to ratify the appointment of BDO Seidman, LLP as CEL-SCI's independent registered public accounting firm for the fiscal year ending September 30, 2008.

The following is a tabulation of votes cast with respect to these proposals:

	Votes			Broker
Proposal	For	Against	Abstain	Non-Votes
1.	22,876,122	6,492,020	359,671	52,066,746
2.	23,134,557	6,157,452	435,804	52,066,746
3.	21,676,413	7,658,224	393,176	52,066,746
4.	21,376,495	7,973,363	377,922	52,066,746
5.	62,659,222	18,672,755	462,582	0
6.	79,208,863	1,057,206	1,528,490	0

Item 5. Other Information

On August 18, 2008 CEL-SCI sold 1,383,389 Units, at a price of $0.75 per Unit, to two private investors. Each Unit consisted of one share of CEL-SCI's common stock and 1.5 warrants. Each warrant allows the holder to purchase one share of CEL-SCI's common stock for $0.75 at any time prior to August 25, 2014. CEL-SCI relied upon the exemption provided by Section 4(2) of the Securities Act of 1933 with respect to the sale of these securities. The persons who acquired these securities were sophisticated investors and were provided full information regarding CEL-SCI. There was no general solicitation in connection with the offer or sale of the securities. The persons who acquired these securities acquired them for their own accounts. The certificates representing the shares of common stock and warrants will bear a restricted legend providing that they cannot be sold except pursuant to an effective registration statement or an exemption from registration. No commission or other form of remuneration was given to any person in connection with the sale of these securities.

Item 6.(a) Exhibits

Number Exhibit

31 Rule 13a-14(a) Certifications

32 Section 1350 Certifications

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.

CEL-SCI CORPORATION

Date: August 19, 2008

/s/ Geert Kersten

Geert Kersten, Chief Executive Officer*

* Also signing in the capacity of the Chief Accounting Officer and Principal Financial Officer.