CYBERLUX CORP
Form 10QSB
August 23, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10QSB

(Mark One)

[X] Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2004

[ ] Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ____________ to ______________

For the Period Ended June 30, 2004

Commission file number 000-33415

CYBERLUX CORPORATION
(Name of Small Business Issuer in Its Charter)

Nevada	91-2048178
(State of Incorporation)	(IRS Employer Identification No.)

4625 Creekstone Drive
Suite 100
Research Triangle Park
Durham, NC 27703

(Address of Principal Executive Offices)

(919) 474-9000

Issuer's Telephone Number

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [x] No [ ]

As of June 30, 2004, the Company had 18,614,905 shares of its par value $0.001 common stock issued and outstanding.

Transitional Small Business Disclosure Format (check one):

Yes [ ] No [X]

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CYBERLUX CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONDENSED BALANCE SHEETS

	June 30 ,2004 (Unaudited)	December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,452	$ 16,247
Accounts receivable	10,804	--
Total current assets	42,256	16,247
Property, plant and equipment, net of accumulated depreciation of $ 72,783 and $ 44,649, respectively	59,977	68,845
Other assets, net of accumulated amortization of $ 3,518 and $ 0, respectively	102,032	236,000
Total Assets	$ 204,265	$ 321,092
LIABILITIES AND (DEFICIENCY) IN STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued interest	$ 49,435	$ 104,976
Other accrued liabilities	72,590	296,388
Management fees payable - related party	272,838	996,508
Short term notes payable - shareholders	112,745	207,845
Short term notes payable	65,000	320,000
Total current liabilities	572,608	1,925,717
Long Term liabilities	406,525	347,610
(Deficiency) in Stockholders' Equity:		
Convertible preferred stock	801	1
Common stock	18,615	8,049
Additional paid-in capital	6,003,264	2,337,736
Subscription received in advance for shares to be issued	22,500	--
Subscription receivable	--	(276,186)
Deficit accumulated during development stage	(6,820,048)	(4,021,835)
(Deficiency) in stockholders' equity	(774,868)	(1,952,235)
Total liabilities and (Deficiency) in Stockholders' Equity	$ 204,265	$ 321,092

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30, 2004	For the Three Months Ended June 30, 2003	For the Six Months Ended June 30, 2004	For the Six Months Ended June 30, 2003
Revenue	$ 11,238	$ 307	$ 21,206	$ 1,16
Cost of goods sold	(7,992)	(1,256)	(16,387)	(3,51
Gross profit (loss)	3,246	(949)	4,819	(2,35
Operating Expenses				
Depreciation and amortization	13,361	230,124	31,652	235,24
General and administrative expenses	503,351	355,988	1,921,374	558,51
Total Operating Expenses	516,712	586,112	1,953,026	793,76
(Loss) from Operations	(513,466)	(587,061)	(1,948,207)	(796,11
Other Income (expense)	10,441	--	4,559	-
Interest Income	62	--	62	-
Interest Expense	(5,434)	(18,017)	(54,627)	(38,93
Income tax (benefit)	--	--	--	-
Net Loss Before Preferred Dividend	(529,279)	(605,078)	(1,998,213)	(835,05
Preferred dividend requirements	(24,000)	--	(24,000)	-
Preferred dividend-Beneficial conversion discount on convertible preferred	--	--	(800,000)	-
Net loss attributable to common shareholders	$ (553,279)	$ (605,078)	$ (2,822,213)	$ (835,05
Weighted average number of common shares outstanding - basic and fully diluted	15,169,191	6,946,684	13,004,736	6,946,68

Net (loss) per share - basic & fully diluted	$ (0.04)	$ (0.09)	$ (0.22)	$ (0.1

See accompanying notes to the unaudited condensed financial information.

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CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF DEFICIENCY IN STOCKHOLDER'S EQUITY FOR THE
PERIOD MAY 17,2000 (DATE OF INCEPTION) THROUGH JUNE 30, 2004

	COMMON STOCK		PREFERRED STOCK		ADDITIONAL PAID IN CAPITAL	STOCK SUBSCRI RECEIVA RECEIVE ADVANC
	SHARES	AMOUNT	SHARES	AMOUNT		
Common shares issued in May, 2000 to founders in exchange for cash at $0.01 per share	1,640,000	$1,640	-	-	$560	
Common shares issued in May, 2000 in exchange for research and development services valued at $.09 pers share	750,000	750	-	-	68,003	
Common shares issued in May, 2000 in exchange for services valued @ $.05 per share	875,000	875	-	-	35,710	
Common shares issued in July, 2000 in exchange for convertible debt at $.15 per share	288,000	288	-	-	39,712	
Capital contributed by principal shareholders	-	-	-	-	16,000	
Common shares issued in November , 2000 in for cash in connection with private placement $.15 per share	640,171	640	-	-	95,386	

Common shares issued in November , 2000 in exchange for services valued @$.15 per share issued for consulting services	122,795	123	-	-	18,296	
Net loss	-	-	-	-	-	
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BALANCE, DECEMBER 31, 2000	4,315,966	4,316	-	-	273,667	
Common shares issued in January , 2000 in exchange for convertible debt at $.15 per share	698,782	699	-	-	104,118	
Stock options issued in May, 2001 valued @ $.15 per option in exchange for services	-	-	-	-	52,500	
Warrant issued in May 2001, valued at $015 per warrant in exchange for placement of debt	-	-	-	-	75,000	
Common shares issued in September 2001 in exercise for warrant at $.15 per share	3,000	3	-	-	447	
Common shares issued in September 2001 for cash in connection with exercise of warrant at $.10 per share	133,000	133	-	-	13,167	
Common shares issued in November 2001 for cash in connection with exercise of warrant at $.0001 per share	500,000	500	-	-	-	
Common shares issued in Nov , 01 in on exercise of options at $.0001 per share	350,000	350	-	-	-	

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF DEFICIENCY IN STOCKHOLDER'S EQUITY FOR THE
PERIOD MAY 17,2000 (DATE OF INCEPTION) THROUGH JUNE 30, 2004
(CONTINUED)

	COMMON STOCK		PREFERRED STOCK		ADDITIONAL PAID IN CAPITAL	STOCK SUBSCRI RECEIVA RECEIVE ADVANC
	SHARES	AMOUNT	SHARES	AMOUNT		
Common shares issued in December, 2001 in exchange for convertible debt at $.50 per share	133,961	134	-	-	66,847	
Common shares issued in December, 2001 in exchange for debt at $.50 per share	17,687	17	-	-	8,825	
Net loss	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2001	6,152,396	6,152	-	-	594,571	
Common shares issued in May, 2002 in exchange for services valued at $.70 per share	70,000	70	-	-	49,928	
Common shares issued in November, 2002 in exchange for services valued at $.25 per share	150,000	150	-	-	37,350	
Common shares issued in December, 2002 as rights offerings at $0.25 per share	256,000	256	-	-	63,744	
Subscription receivable for 10,000 shares issued	-	-	-	-	-	(2,50
Net loss	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2002	6,628,396	6,628	-	-	745,593	(2,50
Common shares issued in March , 2003 in connection with exercise of options at $.0001 per share	250,000	250	-	-	-	
Funds received for stock subscription	-	-	-	-	-	2,50
Common shares issued to Cornell Capital Partners in March 2003 in connection						

with Loan Commitment valued at $0.75 per share	300,000	300	-	-	224,700
Common shares issued in March , 2003 in exchange for services valued at $0.75 per share	13,333	14	-	-	9,987

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF DEFICIENCY IN STOCKHOLDER'S EQUITY FOR THE
PERIOD MAY 17,2000 (DATE OF INCEPTION) THROUGH JUNE 30, 2004
(CONTINUED)

	COMMON STOCK		PREFERRED STOCK		ADDITIONAL PAID IN CAPITAL	STOCK SUBSCRI RECEIVA RECEIVE ADVANC
	SHARES	AMOUNT	SHARES	AMOUNT		
Robrady Design Note was converted into 196,120 shares @.25 per share	196,120	196	-	-	48,833	
Common Shares issued to Mark Schmidt for services in June 2003. The 200,000 shares were issued at $0.25 per share	200,000	200	-	-	49,800	
Common shares issued to Capital Funding Solutions September 2003, 450,000 shares were issued at$0.20 per share. Shares secure a sales factoring agreement	450,000	450	-	-	89,550	
Common shares issued in November 2003 for consulting services valued at $0.50 per share	11,292	11	-	-	5,634	

Convertible Preferred Shares issued in December 2003 valued at $5,000 per share, Class A	-	-	155	1	774,999	(276,18
Warrants on convertible preferred shares	-	-	-	-	(347,610)	
Beneficial conversion discount on convertible preferred shares	-	-	-	-	736,250	
Net (Loss)	-	-	-	-	-	
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BALANCE AT DECEMBER 31, 2003	8,049,141	8,049	155	1	2,337,736	(276,18
Issuance of convertible preferred shares Class B in January 2004 for accrued management fees at $1 per share	-	-	800,000	800	799,200	
Proceeds from subscriptions Receivable	-	-	-	-	-	276,18
Common Shares issued in January, 2004 in exchange for services at $0.37 per share	260,000	260	-	-	95,940	
Common Shares issued in January 2004 in exchange for services at $0.37 per share	225,000	225	-	-	83,025	
Common Shares issued in January 2004 in exchange for services valued at $0.37 per share	2,100,000	2,100	-	-	774,900	

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF DEFICIENCY IN STOCKHOLDER'S EQUITY FOR THE
PERIOD MAY 17,2000 (DATE OF INCEPTION) THROUGH JUNE 30, 2004
(CONTINUED)

	COMMON STOCK		PREFERRED STOCK		ADDITIONAL PAID IN CAPITAL	STOCK SUBSCRI RECEIVA RECEIVE ADVANC
	SHARES	AMOUNT	SHARES	AMOUNT		
Shares issued for note payable at $0.25 in January 2004	110,764	111	-	-	27,580	
Shares issued for consulting services at $0.21 per share	1,200,000	1,200	-	-	250,800	
Beneficial conversion discount- preferred stock dividend with respect to convertible preferred shares Class B	-	-	-	-	800,000	
Net loss	-	-	-	-	-	
BALANCE AT MARCH 31, 2004	11,944,905	$ 11,945	800,155	$801	$5,169,181	$
Warrants issued in exchange for Services, April 2004	-	-	-	-	243,000	
Common shares canceled for return of collateral deposit with factor	(450,000)	(450)	-	-	(89,550)	
Common shares issued for cash in private placement at $0.10per share, May 2004	5,310,000	5,310	-	-	525,690	
Class A Preferred shares issued for cash at $5,000 per share, May 2004	-	-	15.861	-	79,308	
Warrants on convertible preferred shares Class A shares	-	-	-	-	(58,915)	
Common shares issued in exchange for note payable at $0.10 per share, June , 2004	50,000	50	-	-	4,950	
Common Shares issued in exchange for services valued at $0.10 per share, June 2004	1,560,000	1,560	-	-	154,440	
Common Shares issued 2004 in exchange for services valued at $0.10 per share, June 2004	200,000	200	-	-	19,800	
Subscription received in						

advance for shares to be issued	-	-	-	-	-	22,50
Common Shares issued in exchange for services adjusted for issue prices	-	-	-	-	(44,640)	
Net (Loss)	-	-	-	-	-	
BALANCE, JUNE 30, 2004	18,614,905	$ 18,615	800,171	$ 801	$6,003,264	$22,50

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended June 30, 2004	For the Six Months Ended June 30, 2003	For the Period May 17, 2000 17, 2000 (date of inception) Through June 30, 2004
CASH FLOW FROM OPERATING ACTIVITIES:			
Net (loss) available to common stockholders	$(2,822,213)	$ (835,049)	$(6,844,048)
Depreciation and amortization	31,652	235,249	357,550
Preferred stock dividend	24,000	--	24,000
Beneficial conversion discount -- preferred stock dividend	800,000	--	1,536,250
Stock options issued for consulting services	--	--	107,504
Shares issued for previously incurred debt	32,691	9,030	81,720
Warrants issued to consultants for services	243,000	243,000	
Loan extension write off	--	--	25,000
Preferred shares issued for conversion of accrued management fees	723,670	--	723,670

Preferred shares issued for previously incurred debt	76,330	--	76,330
Accrued expenses relating to escrow deposits	--	20,000	23,814
Shares issued for consulting services	1,327,810	60,000	1,500,960
Shares issued for research and development	--	--	68,753
Common shares canceled for return of factor collateral deposit	(90,000)	--	--
Increase in accounts receivable	(10,804)	--	(10,804)
Decrease in other assets	130,450	--	(105,550)
(Decrease) increase in accrued interest	(55,541)	5,852	49,435
(Decrease) increase in management fee payable - related party	(723,670)	273,000	272,838
(Decrease) increase in other accrued liabilities	(223,798)	145,457	72,590
Net cash used in operating activities	(536,423)	(86,461)	(1,796,988)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	(19,266)	--	(132,760)
Net cash used in investing activities	(19,266)	--	(132,760)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (payments for) proceeds from short-term notes payable	(255,000)	--	212,455
(Payments for)proceeds from short-term notes payable - shareholders - net	(95,100)	59,500	112,745
Proceeds from advance deposits received for shares to be issued	22,500	--	22,500
Proceeds from issuance of preferred stock	79,308	--	554,308
Capital contributed by shareholders	--	--	16,000
Proceeds from subscriptions receivable	276,186	--	276,186
Proceeds from issuance of common stock	543,000	2,750	767,006
Net cash provided by financing activities	570,894	62,250	1,961,200
Net increase (decrease) in cash	15,205	(24,211)	31,452
Cash - beginning	16,247	26,086	--
Cash - ending	$ 31,452	$ 1,875	$ 31,452

SUPPLEMENTAL DISCLOSURES:

Cash paid for Interest expense	$ 110,167	$ 18,202	$ 161,067
Cash paid for income taxes	--	--	--

See accompanying notes to the unaudited condensed financial information.

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
(CONTINUED)
(UNAUDITED)

Non Cash investing and financing activities:			
Shares issued for research and development and consulting	$ --	$ --	$
Shares issued for conversion of debt	32,692	9,030	
Warrants issued in connection with financing	--	--	
Warrants issued to consultants for services	243,000	--	
Warrants issued detachable with convertible preferred shares	58,915	--	
Beneficial conversion discount on convertible preferred shares	800,000	--	1,
Options issued in connection with services	--	--	
Shares issued in connection with services	1,327,810	60,000	1,
Common Shares canceled for return of factor collateral deposit	(90,000)	--	
Shares issued in connection with loan	--	--	
Convertible preferred shares issued for previously incurred debt	76,330	--	
Convertible preferred shares issued for accrued management fees	723,670	--	

See accompanying notes to the unaudited condensed financial information

CYBERLUX CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2004

(UNAUDITED)

NOTE A - SUMMARY OF ACCOUNTING POLICIES

GENERAL

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Accordingly, the results from operations for the six-month period ended June 30, 2004, are not necessarily indicative of the results that may be expected for the year ended December 31, 2004. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated December 31, 2003 financial statements and footnotes thereto included in the Company's SEC Form 10-KSB.

BUSINESS AND BASIS OF PRESENTATION

Cyberlux Corporation (the "Company") is in the development stage and its effort have been principally devoted to seeking profitable business opportunities. To date the Company has incurred expenses and has sustained losses. Consequently, its operations are subject to all risks inherent in the establishment of a new business enterprise. For the period from inception through June 30 2004, the Company has accumulated losses of $6,820,048.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the year ended December 31, 2002 and subsequent years.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Had compensation costs for the Company's stock options been determined based on the fair value at the grant dates for the awards, the Company's net loss and losses per share would have been as follows (transactions involving stock options issued to employees and Black-Scholes model assumptions are presented in Note D):

	For the three months ended June 30, 2004	2003	For the six m June 3 2004
Net loss attributable to common stockholders - as reported	$ (553,279)	$ (605,078)	$(2,822,213)
Add: Total stock based employee compensation expense as reported under intrinsic value method (APB. No. 25)	--	--	--
Deduct: Total stock based employee compensation expense as reported under fair value based method (SFAS No. 123)	--	--	--
Net loss - Pro Forma	(553,279)	(605,078)	(2,822,213)
Net loss attributable to common stockholders - Pro forma	$ (553,279)	$ (605,078)	$(2,822,213)
Basic (and assuming dilution) loss per share - as reported	$ (0.04)	$ (0.09)	$ (0.22)
Basic (and assuming dilution) loss per share - Pro forma	(0.04)	(0.09)	(0.22)

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2003, the FASB issued SFAS No. 132 (revised), EMPLOYERS' DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS - AN AMENDMENT OF FASB STATEMENTS NO. 87, 88 AND 106. This statement retains the disclosure requirements contained in FASB statement no. 132, Employers' Disclosures about Pensions and Other Postretirement Benefits, which it replaces. It requires additional disclosures to those in the original statement 132 about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The required information should be provided separately for pension plans and for other postretirement benefit plans. The revision applies for the first fiscal or annual interim period ending after December 15, 2003 for domestic pension plans and June 15, 2004 for foreign pension plans and requires certain new disclosures related to such plans. The adoption of this statement will not have a material impact on the Company's results of operations or financial positions.

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NOTE B - COMMON STOCK

In January, 2004, the Company collected the balance of its previously recognized subscriptions receivable of $276,186.

In January, 2004, the Company issued 260,000 shares of its common stock in exchange for services totaling $96,200. The stock issued was valued at approximately $0.37 per share, which represents the fair value of the stock issued, which did not differ materially from the value of the services rendered.

In January, 2004, the Company issued 225,000 shares of its common stock in exchange for services totaling $83,250. The stock issued was valued at approximately $.0.37 per share, which represents the fair value of the stock issued, which did not differ materially from the value of the services rendered.

In January, 2004, the Company issued 2,100,000 shares of its common stock in exchange for services totaling $777,000. The stock issued was valued at approximately $0.37 per share, which represents the fair value of the stock issued, which did not differ materially from the value of the services rendered.

In January, 2004, the holder of a $27,691 note payable exchanged the unpaid principal together with accrued interest for 110,764 shares at $0.25 per share of the Company's common stock.

In January, 2004, the Company issued 1,200,000 shares of its common stock for cash at $0.21 per share for $252,000.

In April, 2004 the Company received back and cancelled 450,000 shares of common stock for return of collateral deposit with a creditor previously valued at $90,000.

During the period ended June 30, 2004, the Company issued warrants to consultants for services for $243,000 which represents the fair value of the warrants issued, which did not differ materially from the value of the services rendered (see Note D).

In May, 2004 the Company issued 5,310,000 shares of common stock at $0.10 per share for private placement for cash. In connection with the offering , the investors received a warrant to purchase the Company's common stock for each share of common stock purchased ("Class A Warrants ") The warrants have an exercise price of $,25 per share and expire June 30, 2004 (see Notes D and E).

In May, 2004 the Company issued 50,000 shares of common stock at $0.10 per share on conversion of notes payable.

In June, 2004 the Company issued 1,760,000 shares of common stock in exchange for services rendered to the Company valued at $176,000. The shares were issued at $0.10 per share which represents the fair value of the stock issued which did not materially differ from the value of the services rendered.

In June 2004, the Company received cash $22,500 in connection with a subscription to acquire shares of the Company's common stock. As of June 30, 2004, the shares had not been issued.

NOTE C - CONVERTIBLE PREFERRED STOCK

Series A Convertible Preferred Stock

In May 2004, the Company issued 15.861 Series A Preferred shares, par value $0.001 per share, at $5,000 per share in exchange for $79,308. The Series A Preferred shares are convertible at the option of the holder to 50,000 shares of the Company's common stock for each share of Series A Preferred stock. The Series A Preferred holders also received two (2) warrants ("Series A and Series B Warrants") to purchase 50,000 shares of Common Stock, per warrant, for each share of Series A Preferred (or fraction thereof) issued. The Series A Warrants shall have an exercise price per share equal to $0.25 and shall expire in three (3) years. The Series B Warrants shall have an exercise price per share equal to $1.05 and shall expire five (5) years, subject to the number of number of shares acquired pursuant to the Series A Warrants.

Series B Convertible Preferred Stock

In January, 2004, the Company issued 800,000 shares of its Series B 12% Cummulative Convertible Preferred Stock ("series B Preferred Shares") in lieu of certain accrued management services fee payable and notes payable including interest payable thereon totaling $800,000 to officers of the company The stock issued was valued at approximately $1.00 per share, which represents the fair value of the stock. The shares of preferred stock are convertible into common shares at $0.20 per share which was amended in April 2004 to $0.10 per share. In connection with the transaction, the Company recorded beneficial conversion discount of $800,000 - preferred dividend relating to the issuance of convertible preferred stock.

Holders of the Series B Preferred Shares are entitled to receive cumulative cash dividends at the annual rate of 12% per annum, or $.12 per share, payable semi-annually. The dividends may be payable in cash or through a dividend of additional shares of Preferred Shares. The aggregate unpaid Series B Preferred Stock dividends at June 30, 2004 is $ 24,000.

The Series B Preferred Shares, along with the Series A Preferred Shares rank, pari passu, senior to the common stock. The Series B Preferred Shares have a liquidation preference of $ 1.00 per share plus any and all declared and unpaid dividends.

The Series B Preferred Shares are convertible, in whole or in part , at the option of the holders thereof, into shares of common stock at amount equal to $ 0.10 per share. Each share of Series B Preferred Stock shall have voting rights equal to ten times the number of shares of Common Stock such holder of Series B Preferred Stock would receive upon conversion of such holder's shares of Series B Preferred Stock.

NOTE D - WARRANTS TO PURCHASE COMMON STOCK

The following condensed table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock issued to consultants and shareholders at June 30, 2004.

	Warrants Outstanding			Warrants E
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighed Average Exercise Price	Number Exercisable
$ 0.10	58,500	4	$ 0.10	58,500
0.20	605,000	1	0.20	605,000
0.25	9,984,550	4	0.25	9,984,550
0.50	300,000	2	0.50	300,000
1.05	8,543,050	5	1.05	8,543,050

19,491,100	19,491,100
==========	==========

Transactions involving the Company's warrant issuance are summarized as follows:

	Number of Shares	Weighted Average Price Per Share
Outstanding at December 31, 2003	15,500,000	$ 0.25
Granted	9,301,000	$ 0.32
Exercised	(681,000)	.25
Canceled or expired	(4,629,000)	.25
Outstanding at June 30, 2004	19,491,100	$ 0.60
	==========	==========

The weighted-average fair value of warrants granted to consultants during the period ended June 30, 2004 and 2003 and the weighted-average significant assumptions used to determine those fair values, using a Black-Scholes option pricing model are as follows:

	2004	2003
Significant assumptions (weighted-average):		
Risk-free interest rate at grant date	1.01 %	n/a
Expected stock price volatility	84 %	n/a
Expected dividend payout	-	-
Expected option life-years (a)	1 - 4 years	n/a

(a) The expected option life is based on contractual expiration dates.

The estimated value of the warrants granted to consultants was in lieu of cash compensation for services performed. The amount of the expense charged to operations in connection with granting the warrants to consultants was $ 243,000 and $ 0 during the period ended June 30, 2004 and 2003, respectively.

NOTE E - SUBSEQUENT EVENTS

Certain holders of the Company's Class A Warrants exercised their options to acquire the Company's restricted common stock (see Note C). The Company received proceeds of approximately $175,250 in connection with the exercise of the warrants.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

The following discussion contains forward-looking statements that are subject to significant risks and uncertainties about us, our current and planned products, our current and proposed marketing and sales, and our projected results of operations. There are several important factors that could cause actual results to differ materially from historical results and percentages and results anticipated by the forward-looking statements. The Company has sought to identify the most significant risks to its business, but cannot predict whether or to what extent any of such risks may be realized nor can there be any assurance that the Company has identified all possible risks that might arise. Investors should carefully consider all of such risks before making an investment decision with respect to the Company's stock. The following discussion and analysis should be read in conjunction with the financial statements of the Company and notes thereto. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment from our Management.

GENERAL OVERVIEW

The Company is in the development stage and its efforts have been principally devoted to designing, developing manufacturing and marketing advanced lighting systems that utilize white (and other) light emitting diodes as illumination elements.

We are developing and marketing new product applications of diodal illumination(TM) that demonstrate added value ovER traditional lighting systems. Using proprietary technology, we are creating a family of products for emergency and security lighting offer extended light life and greater cost effectiveness than other existing forms of illumination. We are expanding our marketing activity into channels of retail, commercial and institutional sales.

Our target markets include long-term interim lighting needs in hotels, hospitals, nursing homes, airports, shopping centers and multiple family complexes; long-term evacuation solutions for theaters, office and public buildings; reduced maintenance cost solutions for property managers as applied to walkway, corridor or landscape lighting; and certain sensitive applications for the military.

On April 27, 2004, we received an initial purchase order from the City of Cleveland for the pilot phase implementation of our Emergency Lighting Augmentation System ("ELAS"(TM)) project. The nature and purpose of ELAS is its ability to provide UP to 60 hours of light in bathrooms, stairwells, elevators, corridors, equipment rooms and interior offices from its custom constant charge battery pack and expandable lighting element configuration. The system retrofits into existing fluorescent fixtures where its patented sensor differentiates between power off at a wall switch and a power outage in the building's electrical system. We concluded the pilot phase in June 2004 and are working on proposals to extend our installation of ELAS for the Cleveland municipality including the Cleveland Hopkins International Airport.

During the quarter, we met with officials from the State of New York who expressed interest in our long term interim lighting solutions. We also met with security administrators of the Metropolitan Transit Authority and the Ports Authority in the City of New York. The MTA requested that we submit a proposal to provide long term interim lighting pilot installations in the City's subway system to include passenger platforms, rail cars and tunnel accesses. We anticipate a similar proposal request from the Ports Authority relative to Newark, LaGuardia and JFK airports and the Ports Authority Tunnel Holland system.

Although, we have been focused on emergency lighting due to power grid failures and blackout concerns expressed by Homeland Security officials, we have also made advances from the retail segment of our business. For the Christmas retail season, we have developed a camping light positioning and are marketing the "CampLamp" to major national retailers. In addition, our Home Safety Light is continuing to gain sales acceptance across the broad retail channel and we anticipate launching the next generation of Home Safety Light for the Christmas season.

On June 3, 2004, we announced that we had agreed in principle to acquire True To Form, Limited, a specialty lighting firm with offices in Boston and Los Angeles. True To Form, a privately held firm, manufactures specialty lighting for restaurant chains, such as Chick-fil-A, Dunkin Donuts and Ben & Jerry's Ice Cream as well as hotel-casino complexes. The consolidation with Cyberlux as its specialty lighting division will add a new dimension of our Diodal(TM) capability TO several of True To Form's products and will provide new distribution channels for our emergency lighting solutions.

Our common stock began trading on the Over-the-Counter Bulletin Board under the symbol ,,CYBL.OB" on July 13, 2003. The table below sets forth by quarter the sales information for our common stock as reported on the Over-the-Counter Bulletin Board in our past fiscal year. This information reflects inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

	SALE PRICES	
	HIGH	LOW
2002:		
First Quarter	N/A	N/A
Second Quarter	N/A	N/A
Third Quarter	N/A	N/A
Fourth Quarter	N/A	N/A
2003:		
First Quarter	N/A	N/A
Second Quarter	N/A	N/A
Third quarter	1.05	0.10
Fourth quarter	0.55	0.12
2004		
First Quarter	0.53	0.19
Second Quarter	0.85	0.27

On August 19, 2004, the closing price of our common stock on the Over-the-Counter Bulletin Board was $0.37 per share. We urge you to obtain current market quotations for shares of our common stock.

FORWARD-LOOKING STATEMENTS

EXCEPT FOR HISTORICAL INFORMATION CONTAINED HEREIN, THE MATTERS DISCUSSED IN THIS FORM 10-QSB ARE FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE SET FORTH IN SUCH FORWARD-LOOKING STATEMENTS. SUCH RISKS AND UNCERTAINTIES INCLUDE, WITHOUT LIMITATION, THE COMPANY'S DEPENDENCE ON THE TIMELY DEVELOPMENT, INTRODUCTION AND CUSTOMER ACCEPTANCE OF PRODUCTS, THE IMPACT OF COMPETITION AND DOWNWARD PRICING PRESSURES, THE ABILITY OF THE COMPANY TO REDUCE ITS OPERATING EXPENSES AND RAISE ANY NEEDED CAPITAL, THE EFFECT OF CHANGING ECONOMIC CONDITIONS, RISKS IN TECHNOLOGY DEVELOPMENT AND THE EFFECTS OF OUTSTANDING LITIGATION. OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE SET FORTH IN SUCH FORWARD-LOOKING STATEMENTS INCLUDE THE RISKS AND UNCERTAINTIES DETAILED IN THE COMPANY'S MOST RECENT FORM 10-KSB AND ITS OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION FROM TIME TO TIME.

RESULTS OF OPERATIONS

The Company is in the development stage and is seeking to develop, manufacture and market advanced lighting systems that utilize white (and other) light emitting diodes as illumination elements. The risks specifically discussed are not the only factors that could affect future performance and results. In addition the discussion in this quarterly report concerning our business our operations and us contain forward-looking statements. Such forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. We do not have a policy of updating or revising forward- looking statements and thus it should not be assumed that silence by our Management over time means that actual events or results are occurring as estimated in the forward-looking statements herein.

As a result of limited capital resources and no revenues from operations from its inception, the Company has relied on the issuance of equity securities to non-employees in exchange for services. The Company's management enters into equity compensation agreements with non-employees if it is in the best interest of the Company under terms and conditions consistent with the requirements of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation. In order conserve its limited operating capital resources, the Company anticipates continuing to compensate non-employees for services during the next twelve months. This policy may have a material effect on the Company's results of operations during the next twelve months.

Revenues

We have generated operating revenues from operations of $ 95,444 from our inception. We believe we will begin earning revenues from operations in our second year of actual operation as the Company transitions from a development stage company to that of an active growth and acquisition stage company

Costs and Expenses

From our inception through June 30, 2004, we have generated revenues of $95,444 from operations. We have incurred losses of $5,283,798 during this period. These expenses were associated principally with equity-based compensation to employees and consultants, product development costs and professional services.

Liquidity and Capital Resources

As of June 30, 2004, we had a working capital deficit of $ 530,352. As a result of our operating losses from our inception through June 30, 2004, we generated a cash flow def,icit of $1,796,988 from operating activities. Cash flows used in investing activities was $ 132,760 during the period May 17, 2000 (date of Company's inception) through June 30, 2004. We met our cash requirements during this period through the private placement of $ 1,620,000 through the issuance of our common and preferred stock, and $ 212,455 from the issuance of notes payable and advances of $112,455 , net of repayments, to Company officers and shareholders and advances.

While we have raised capital to meet our working capital and financing needs in the past, additional financing is required in order to meet our current and projected cash flow deficits from operations and development.

By adjusting its operations and development to the level of capitalization , management believes it has suffucient capital resources to meet projected cash flow deficits through the next twelve months . However, if thereafter, we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources, on terms acceptable to us, this could have a material adverse effect on our business, results of operations , liquidity and financial condition.

The Company's independent certified public accountant has stated in his report included in the Company's December 31, 2003 Form 10-KSB, as amended, that the Company has incurred operating losses in the last two years, and that the Company is dependent upon management's ability to develop profitable operations. These factors among others may raise substantial doubt about the Company's ability to continue as a going concern.

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Application of Critical Accounting Policies

The Financial Accounting Standards Board (FASB) issued a proposed Statement, Share-Based Payment, an amendment of FASB Statements No. 123 and 95, that would require companies to account for stock-based compensation to employees using a fair value method as of the grant date. The proposed statement addresses the accounting for transactions in which a Company receives employee services in exchange for equity instruments such as stock options, or liabilities that are based on the fair value of the Company's equity instruments or that may be settled through the issuance of such equity instruments, which includes the accounting for employee stock purchase plans. This proposed statement would eliminate a Company's ability to account for share-based awards to employees using APB Opinion 25, Accounting for Stock Issued to Employees but would not change the accounting for transactions in which a company issues equity instruments for services to non-employees or the accounting for employee stock ownership plans. The proposed statement, if adopted, would be effective for awards that are granted, modified, or settled in fiscal years beginning after December 15, 2004. The Company is in the process of assessing the potential impact of this proposed statement to the financial statements.

Non-GAAP Financial Measures

The financial statements appearing in this quarterly report on Form 10-QSB do not contain any financial measures which are not in accordance with generally accepted accounting procedures.

Inflation

In the opinion of management, inflation has not had a material effect on the Company's financial condition or results of its operations

Off-Balance Sheet Arrangements

The Company does not maintain off-balance sheet arrangements nor does it participate in non-exchange traded contracts requiring fair value accounting treatment.

TRENDS, RISKS AND UNCERTAINTIES

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Stock.

Cautionary Factors That May Affect Future Results

We provide the following cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business and our products. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could adversely affect us.

Potential fluctuations in quarterly operating results

Our quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, most of which are outside our control, including: the demand for our products; seasonal trends in purchasing, the amount and timing of capital expenditures and other costs relating to the development of our products; price competition or pricing changes in the industry; technical difficulties or system downtime; general economic conditions, and economic conditions specific to the consumer lighting industry. Our quarterly results may also be significantly impacted by the impact of the accounting treatment of acquisitions, financing transactions or other matters. Particularly at our early stage of development, such accounting treatment can have a material impact on the results for any quarter. Due to the foregoing factors, among others, it is likely that our operating results will fall below our expectations or those of investors in some future quarter.

Lack of Independent Directors

We cannot guarantee that our Board of Directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our executive officers, who are also principal stockholders and directors, could establish policies and enter into transactions without independent review and approval thereof. This could present the potential for a conflict of interest between the Company and its stockholders generally and the controlling officers, stockholders or directors.

Limitation of Liability and Indemnification of Officers and Directors

Our officers and directors are required to exercise good faith and high integrity in our Management affairs. Our Articles of Incorporation provide, however, that our officers and directors shall have no liability to our shareholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend or stock repurchase, or derived an improper benefit from the transaction. Our Articles and By-Laws also provide for the indemnification by us of the officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate our business or conduct the internal affairs, provided that in connection with these activities they act in good faith and in a manner that they reasonably believe to be in, or not opposed to, the best interests of the Company, and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations. To further implement the permitted indemnification, we have entered into Indemnity Agreements with our officers and directors.

Continued Control by Current Officers and Directors

The present officers and directors, through their ownership of the Company's Series B Convertible Preferred Stock , have voting control , and therefore are in a position to elect all of our Directors and otherwise control the Company, including, without limitation, authorizing the sale of equity or debt securities of the Company, the appointment of officers, and the determination of officers' salaries. Shareholders have no cumulative voting rights.

Management of Potential Growth

We anticipate rapid growth, which will place a significant strain on our managerial, operational, and financial systems resources. To accommodate our current size and manage growth, we must continue to implement and improve our financial strength and our operational systems, and expand, train and manage our sales and distribution base. There is no guarantee that we will be able to effectively manage the expansion of our operations, or that our facilities, systems, procedures or controls will be adequate to support our expanded operations. Our inability to effectively manage our future growth would have a material adverse effect on us.

Limited Market Due To Penny Stock

The Company's stock differs from many stocks, in that it is a "penny stock." The Securities and Exchange Commission has adopted a number of rules to regulate "penny stocks." These rules include, but are not limited to, Rules 3a5l-l, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6 and 15g-7 under the Securities and Exchange Act of 1934, as amended. Because our securities probably constitute "penny stock" within the meaning of the rules, the rules would apply to us and our securities. The rules may further affect the ability of owners of our stock to sell their securities in any market that may develop for them. There may be a limited market for penny stocks, due to the regulatory burdens on broker-dealers. The market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of

the stock, if they can sell it at all. Stockholders should be aware that, according to the Securities and Exchange Commission Release No. 34- 29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These patterns include: - Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; - Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; - "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons; - Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and - The wholesale dumping of the same securities by promoters and broker- dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses. Furthermore, the "penny stock" designation may adversely affect the development of any public market for the Company's shares of common stock or, if such a market develops, its continuation. Broker-dealers are required to personally determine whether an investment in "penny stock" is suitable for customers. Penny stocks are securities (i) with a price of less than five dollars per share; (ii) that are not traded on a "recognized" national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); or (iv) of an issuer with net tangible assets less than $2,000,000 (if the issuer has been in continuous operation for at least three years) or $5,000,000 (if in continuous operation for less than three years), or with average annual revenues of less than $6,000,000 for the last three years. Section 15(g) of the Exchange Act, and Rule 15g-2 of the Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in the Company's common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stock." Rule 15g-9 of the Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for the Company's stockholders to resell their shares to third parties or to otherwise dispose of them.

PRODUCT RESEARCH AND DEVELOPMENT

We anticipate performing further research and development for our exiting products during the next twelve months. Those activities include the ReliaBright Emergency Lighting Augmentation System, ReliaBright Solo, Bright Owl Home Safety Light, Bright Owl Mini, Night Owl Power Outage Adapter and VersaBright Area Light These projected expenditures are dependent upon our generating revenues and obtaining sources of financing in excess of our existing capital resources. There is no guarantee that we will be successful in raising the funds required or generating revenues sufficient to fund the projected costs of research and development during the next twelve months

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ACQUISITION OF PLANT AND EQUIPMENT AND OTHER ASSETS

We do not anticipate the sale of any material property , plant or equipment during the next 12 months. We do not anticipate the acquisition of any material property, plant or equipment during the next 12 months. We do not own any real property. Our corporate headquarters are located at 4625 Creekstone Drive, Suite 100, Research Triangle Park, Durham, NC 27703. We lease 2,405 square feet of office space from a non affiliated landlord. The lease expires on December 31, 2008. The monthly rent is presently $3,457.

NUMBER OF EMPLOYEES

From our inception through the period ended June 30, 2004, we have relied on the services of outside consultants for services and have five (5) employees. In order for us to attract and retain quality personnel, we anticipate we will have to offer competitive salaries to future employees. We anticipate that it may become desirable to add additional full and or part time employees to discharge certain critical functions during the next 12 months. This projected increase in personnel is dependent upon our ability to generate revenues and obtain sources of financing. There is no guarantee that we will be successful in raising the funds required or generating revenues sufficient to fund the projected increase in the number of employees. As we continue to expand, we will incur additional cost for personnel.

TRENDS, RISKS AND UNCERTAINTIES

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Stock.

CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Our annual report on December 31, 2003, Form 10-KSB, as amended, includes a detailed list of cautionary factors that may affect future results. Management believes that there have been no material changes to those factors listed, however other factors besides those listed could adversely affect us. That annual report can be accessed on EDGAR.

ITEM 3. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange act reports is recorded, processed , summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate , to allow timely decisions regarding required disclosure. Managment necessarily applied its judgement in assessing the costs and benefits of such controls and procedures , which , by their nature, can provide only reasonable assurance regarding management's control objectives.

We have carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer of the effectiveness of the design and operation of our disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the Evaluation date)

Based upon that evaluation , the chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of the evaluation date.

CHANGES IN INTERNAL CONTROLS

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

On April 5, 2004, 450,000 shares of our Common Stock issued to Capital Funding Solutions as collateral pursuant to a factoring agreement were cancelled.

On April 29, 2004, we filed an Amendment to the Certificate of Designation with the Nevada Secretary of State to the Series B Convertible Preferred Stock, par value $0.001 to change the conversion price to common stock from$0.20 per share to $0.10 per share and to change the purchase price for First Refusal Shares from an amount equal to the liquidation amount to an average market price of shares of common stock over a 10 day period from the date of the Notice of Conversion.

In May 2004, we issued 5,310,000 shares of our Common Stock at $0.10 per share and 5,310,000 warrants exercisable at $0.25 per share. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act

On May 25, 2004, we issued 15.861 shares of Series A Preferred Stock (with a stated value of $5,000 per share and a conversion price of $0.10 per share) and warrants to purchase an aggregate of 793,065 of our common stock. This private placement was exempt from registration pursuant to Section 4(2) of the Securities Act.

On June 4, 2004, we issued 30,500 stock purchase warrants exercisable at $0.25 per share and 19,500 stock purchase warrants exercisable at $0.10 per share each to Marc Haskell, Richard Berkley and Alan Sheinwald pursuant to a consulting agreement. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

On June 4, 2004, Michael Kelly converted a promissory note in the amount of $5.000 into 50,000 shares of our Common Stock at $0.10 per share. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

On June 4, 2004, we issued 30,000 shares of our Common Stock valued at $.10 per share to Forma Designs, Inc. for services rendered. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

On June 4, 2004, we issued 310,000 stock purchase warrants to Dennis Oon, Gary Murphy, Brian Kramen and Ed English exercisable at $0.20 per share for services rendered. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

On June 8, 2004, we issued 975,000 shares of our Common Stock valued at $.10 per share and 975,000 stock purchase warrants exercisable at $0.25 per share pursuant to an agreement in which Current Capital would provide investor relation services for us. This issuance was exempt from registration pursuant to Section 4(2) of the Securities Act.

On June 8, 2004, we issued 375,000 shares of our Common Stock valued at $.10 per share and 375,000 stock purchase warrants exercisable at $0.25 per share to Current Capital Corp. pursuant to an agreement in which Current Capital would provide investor relation services for us. This issuance was exempt from registration pursuant to Section 4(2) of the Securities Act.

On June 8, 2004, we issued 200,000 shares of our Common Stock valued at $.10 per share to Phil Snowden and C. Clark Burns pursuant to a consulting agreement. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

On June 16, 2004, we issued 60,000 shares of our Common Stock valued at $ .10 per share and 100,000 stock purchase warrants exercisable at $0.50 each to Frank Maresca Associate, Inc., William Schnell & Associates, Inc. and Bruce W. Geiger & Associates, Inc. pursuant to a consulting agreement. This issuance was a private transaction pursuant to Section 4(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
None

ITEM 5. OTHER INFORMATION.
None

ITEM 6. EXHIBITS AND REPORTS ON FROM 8-K

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002,

REPORTS ON FORM 8-K

None

SIGNATURES
In accordance with requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CYBERLUX CORPORATION

(Registrant)

Date:August 20, 2004

/s/ Donald F. Evans

Donal F. Evans

CEO and Chairman of the Board