ALFACELL CORP
Form 10-Q
December 21, 2001

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

FORM 10-Q

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

October 31, 2001 — For the quarterly period ended

0-11088 — Commission file number

ALFACELL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware — (State or other jurisdiction of incorporation or organization)

22-2369085 — (I.R.S. Employer Identification No.)

225 Belleville Avenue, Bloomfield, New Jersey 07003
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) (973) 748-8082

NOT APPLICABLE
(Former name, former address, and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant has (1) 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) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares of common stock, $.001 par value, outstanding as of December 19, 2001 was 20,368,715 shares.

ALFACELL CORPORATION
(A Development Stage Company)

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BALANCE SHEETS
October 31, 2001 and July 31, 2001

	October 3 2001 (Unaudite
ASSETS	---------

Current assets:	
Cash and cash equivalents	$ 7,
Deferred tax asset	353,
Other assets	24,
Total current assets	385,
Property and equipment, net of accumulated depreciation and amortization of 1,093,873 at October 31, 2001 and $1,081,423 at July 31, 2001	55,
Other assets	36,
Total assets	$ 477,

LIABILITIES AND STOCKHOLDERS' (DEFICIENCY)

Current liabilities:	
Current portion of long-term debt	$ 7,
Notes payable - convertible debt - unrelated party, less debt discount of $34,511 at July 31, 2001	
Accounts payable	629,
Accrued expenses	518,
Total current liabilities	1,155,
Long-term debt, less current portion	22,
Total liabilities	1,177,
Stockholders' (deficiency):	
Preferred stock, $.001 par value Authorized and unissued, 1,000,000 shares at October 31, 2001 and July 31, 2001	
Common stock $.001 par value Authorized 40,000,000 shares at October 31, 2001 and July 31, 2001; Issued and outstanding, 20,368,715 shares at October 31, 2001 and 19,802,245 shares at July 31, 2001	20,
Capital in excess of par value	58,628,
Deficit accumulated during development stage	(59,348,
Total stockholders' (deficiency)	(699,
Total liabilities and stockholders' (deficiency)	$ 477,

See accompanying notes to financial statements.

ALFACELL CORPORATION
(A Development Stage Company)

STATEMENTS OF OPERATIONS

Three months ended October 31, 2001 and 2000,
and the Period from August 24, 1981
(Date of Inception) to October 31, 2001

(Unaudited)

	Three Months Ended October 31, 2001	Three Months Ended October 31, 2000
Revenue:		
Sales	$ --	$ --
Investment income	21	3,754
Other income	--	--
Total revenue	21	3,754
Costs and expenses:		
Cost of sales	--	--
Research and development	501,523	368,157
General and administrative	195,425	145,589
Interest:		
Related parties	--	--
Others	34,155	1,901
Total costs and expenses	731,103	515,647
Net loss before state tax benefit	(731,082)	(511,893)
State tax benefit	353,730	451,395
Net loss	$ (377,352)	$ (60,498)
Loss per basic and diluted common share	$ (0.02)	$ 0.00
Weighted average number of shares outstanding	20,071,903	18,666,624

See accompanying notes to financial statements.

ALFACELL CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

Three months ended October 31, 2001 and 2000,
and the Period from August 24, 1981
(Date of Inception) to October 31, 2001

(Unaudited)

	Three Months Ended October 31, 2001	Three Months Ended October 31, 2000
Cash flows from operating activities:		
Net loss	$ (377,352)	$ (60,498)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on sale of marketable securities	--	--
Depreciation and amortization	12,450	19,030
Loss on disposal of property and equipment	--	--
Noncash operating expenses	85,174	32,202
Amortization of deferred compensation	--	--
Amortization of organization costs	--	--
Changes in assets and liabilities:		
Increase in deferred tax assets	(353,730)	(451,395)
Decrease (increase) other current assets	18,848	(109,711)
Decrease in other assets	10,000	--
Increase in interest payable-related party	--	--
Increase (decrease) in accounts payable	269,192	(3,820)
Increase in accrued payroll and expenses, related parties	--	--
Increase (decrease) in accrued expenses	52,614	(51,165)
Net cash used in operating activities	(282,804)	(625,357)
Cash flows from investing activities:		
Purchase of marketable equity securities	--	--
Proceeds from sale of marketable equity securities	--	--
Purchase of property and equipment	--	--
Patent costs	--	--
Net cash used in investing activities	--	--

(continued)

See accompanying notes to financial statements.

ALFACELL CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS, Continued

Three months ended October 31, 2001 and 2000,
and the Period from August 24, 1981
(Date of Inception) to October 31, 2001

(Unaudited)

	Three Months Ende October 31,	
	2001	2
Cash flows from financing activities:		
Proceeds from short-term borrowings	$ --	$
Payment of short-term borrowings	(5,000)	
Increase in loans payable - related party, net	--	
Proceeds from bank debt and other long-term debt, net of deferred debt costs	--	
Reduction of bank debt and long-term debt	(1,108)	
Proceeds from issuance of common stock, net	252,116	
Proceeds from exercise of stock options and warrants, net	--	
Proceeds from issuance of convertible debentures, related party	--	
Proceeds from issuance of convertible debentures, unrelated party		
Net cash (used in) provided by financing activities	246,008	
Net (decrease) increase in cash and cash equivalents	(36,796)	(
Cash and cash equivalents at beginning of period	44,781	
Cash and cash equivalents at end of period	$ 7,985	$
Supplemental disclosure of cash flow information - interest paid	$ 1,915	$
Noncash financing activities:		
Issuance of convertible subordinated debenture for loan payable to officer	$ --	$
Issuance of common stock upon the conversion of convertible subordinated debentures, related party	$ --	$
Conversion of short-term borrowings to common stock	$ --	$
Conversion of accrued interest, payroll and expenses by related parties to stock options	$ --	$
Repurchase of stock options from related party	$ --	$
Conversion of accrued interest to stock options	$ --	$
Conversion of accounts payable to common stock	$ 50,000	$
Conversion of notes payable, bank and accrued interest to long-term debt	$ --	$
Conversion of loans and interest payable, related party and accrued payroll and expenses, related parties to long-term accrued payroll and other, related party	$ --	$
Issuance of common stock upon the conversion of convertible subordinated debentures, other	$ 64,993	$
Issuance of common stock for services rendered	$ --	$

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See accompanying notes to financial statements.

ALFACELL CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of October 31, 2001 and the results of operations for the three month periods ended October 31, 2001 and 2000 and the period from August 24, 1981 (date of inception) to October 31, 2001. The results of operations for the three months ended October 31, 2001 are not necessarily indicative of the results to be expected for the full year.

The Company is a development stage company as defined in the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establishing a new business. Its planned principal operations have not commenced and, accordingly, no significant revenue has been derived therefrom.

Effective August 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130 ("SFAS 130"), Reporting Comprehensive Income. SFAS 130 establishes new rules for the reporting and display of comprehensive income and its components. The net loss of $377,000 and $60,000, recorded for the three months ended October 31, 2001 and 2000, respectively, is equal to the comprehensive loss for those periods.

The Company has reported net losses since its inception. Also, the Company has limited liquid resources. The report of the Company's independent accountants on the Company's July 31, 2001 financial statements included an explanatory paragraph which states that the Company's recurring losses, working capital deficit and limited liquid resources raise substantial doubt about the Company's ability to continue as a going concern. The financial statements at July 31, 2001 or October 31, 2001 do not include any adjustments that might result from the outcome of this uncertainty.

The Company's continued operations will depend on its ability to raise additional funds through various potential sources such as equity and debt financing, collaborative agreements, strategic alliances, sale of tax benefits, revenues from the commercial sale of ONCONASE(R) and its ability to realize the full potential of its technology and its drug candidates. Such additional funds may not become available as needed or be available on acceptable terms. To date, a significant portion of the Company's financing has been through private placements of common stock and warrants, the issuance of common stock for stock options and warrants exercised and for services rendered, debt financing and financing provided by the Company's Chief Executive Officer. Additionally, the Company has raised capital through the sale of its tax benefits. Until the Company's operations generate significant revenues, the Company will continue to fund its operations from cash on hand and through the sources of capital previously described. After taking into account the net proceeds received from the sale of its tax benefits in December 2001, the Company believes that its cash and cash equivalents as of October 31, 2001 will be sufficient to meet its anticipated cash needs through January 2002.

ALFACELL CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS, Continued

(Unaudited)

2. EARNINGS (LOSS) PER COMMON SHARE

"Basic" earnings (loss) per common share equals net income (loss) divided by weighted average common shares outstanding during the period. "Diluted" earnings (loss) per common share equals net income divided by the sum of weighted average common shares outstanding during the period plus common stock equivalents. The Company's Basic and Diluted per share amounts are the same since the assumed exercise of stock options and warrants are all anti-dilutive. The amount of options and warrants excluded from the calculation was 5,697,103 and 6,537,712 at October 31, 2001 and 2000, respectively.

3. CAPITAL STOCK

In August 2001, the Company issued 55,556 shares of common stock in settlement of accounts payable. In addition, the vendor was granted five-year warrants to purchase 55,556 shares of common stock at an exercise price of $1.50 per share. The settled accounts payable totaled $50,000 and therefore that amount has been charged to equity as the value of the stock and warrants.

In August 2001, the Company issued 70,000 five-year stock options as payment for services to be rendered. The options vested immediately and have an exercise price of $0.75 per share. The total general and administrative expense recorded for these options was $35,770, based upon the fair value of such option on the date of issuance.

During the quarter ended October 31, 2001, the Company sold an aggregate of 440,000 shares of common stock to private investors at a price of $0.50 to $0.90 per share resulting in net proceeds of $252,000 to the Company. In addition, the private investors were granted five-year warrants to purchase an aggregate of 440,000 shares of common stock at an exercise price of $1.50 per share.

In October 2001, the Company issued 72,214 shares of common stock upon the exercise of convertible debentures by an unrelated parties. In addition, upon conversion, the unrelated parties were granted five-year warrants to purchase 72,214 shares of common stock at $1.50 per share.

4. SALE OF NET OPERATING LOSSES

New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2002 (July 1, 2001 to June 30, 2002), our company has $1,477,000 total available tax benefits of which $426,000 was allocated to be sold between July 1, 2001 and June 30, 2002. In December 2001, we received $354,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2001. In December 2000, we received $451,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31,

2000. We will attempt to sell the remaining balance of our tax benefits in the amount of approximately $1,051,000 between July 1, 2002 and June 30, 2003, subject to all existing laws of the State of New Jersey. However, we cannot assure you that we will be able to find a buyer for our tax benefits or that such funds will be available in a timely manner.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information contained herein contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical fact, regarding our financial position, potential, business strategy, plans and objectives for future operations are "forward-looking statements." These statements are commonly identified by the use of forward-looking terms and phrases as "anticipates," "believes," "estimates," "expects," "intends," "may," "seeks," "should," or "will' or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. We cannot assure that the future results covered by these forward-looking statements will be achieved. The matters set forth in Exhibit 99.1 to our annual report on Form 10-K for the fiscal year ended July 31, 2001 which is incorporated herein by reference, constitute cautionary statements identifying important factors with respect to these forward-looking statements, including certain risks and uncertainties, that could cause actual results to vary significantly from the future results indicated in these forward-looking statements. Other factors could also cause actual results to differ significantly from the future results indicated in these forward-looking statements.

Results of Operations

Three month periods ended October 31, 2001 and 2000

Revenues. We are a development stage company as defined in the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 7. We are devoting substantially all of our present efforts to establishing a new business and developing new drug products. Our planned principal operations of marketing and/or licensing of new drugs have not commenced and, accordingly, we have not derived any significant revenue from these opeations. We focus most of our productive and financial resources on the development of ONCONASE(R) and as such we have not had any sales in the three months ended October 31, 2001 and 2000. For the three months ended October 31, 2001, there was no investment income compared to $4,000 for the same period last year, a decrease of $4,000. This decrease was due to lower balances of cash and cash equivalents.

Research and Development. Research and development expense for the three months ended October 31, 2001 was $502,000 compared to $368,000 for the same period last year, an increase of $134,000, or 36%. This increase was primarily due to an increase in costs in support of the on-going Phase III clinical trials for ONCONASE(R). The increased costs resulted from the expansion of our Phase III clinical trials for malignant mesothelioma in Europe and an increase in expenses in preparation for marketing approval filings of ONCONASE(R) for the treatment of malignant mesothelioma with the Food and Drug Administration in the U.S. and with the European Agency for the Evaluation of Medicinal Products in Europe.

General and Administrative. General and administrative expense for the three months ended October 31, 2001 was $195,000 compared to $146,000 for the same period last year, an increase of $49,000, or 34%. This increase was primarily due to a non-cash expense relating to stock options issued for investor relations activities.

Interest. Interest expense for the three months ended October 31, 2001 was $34,000 compared to $2,000 for the same period last year, an increase of $32,000. The increase was primarily due to the interest expense on the renewal of the convertible notes and related warrants issued to unrelated parties in April 2001. The interest expense was based on the value of the warrants using the Black-Scholes options-pricing model, amortized on a straight-line basis over the life of the notes.

Income Taxes. New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2002 (July 1, 2001 to June 30, 2002), our company has $1,477,000 total available tax benefits of which $426,000 was allocated to be sold between July 1, 2001 and June 30, 2002. In December 2001, we received $354,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2001. In December 2000, we received $451,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2000. We will attempt to sell the remaining balance of our tax benefits in the amount of approximately $1,051,000 between July 1, 2002 and June 30, 2003, subject to all existing laws of the State of New Jersey. However, we cannot assure you that we will be able to find a buyer for our tax benefits or that such funds will be available in a timely manner.

Net Loss. We have incurred net losses during each year since our inception. The net loss for the three months ended October 31, 2001 was $377,000 as compared to $60,000 for the same period last year, an increase of $317,000. The cumulative loss from the date of inception, August 24, 1981 to October 31, 2001, amounted to $59,349,000. Such losses are attributable to the fact that we are still in the development stage and accordingly have not derived sufficient revenues from operations to offset the development stage expenses.

Liquidity and Capital Resources

We have financed our operations since inception primarily through equity and debt financing, research product sales and interest income. During the three months ended October 31, 2001, we had a net decrease in cash and cash equivalents of $37,000, which resulted primarily from net cash used in operating activities of $283,000, partially offset by net cash provided by financing activities of $246,000, primarily from the private placement of common stock and warrants and proceeds from short-term borrowings. Total cash resources as of October 31, 2001 were $8,000 compared to $45,000 at July 31, 2001.

Our current liabilities as of October 31, 2001 were $1,155,000 compared to $918,000 at July 31, 2001, an increase of $237,000. The increase was primarily due to an increase in expenses related to the expansion of our Phase III clinical trials for malignant mesothelioma in Europe. As of October 31, 2001 our current liabilities exceeded our current assets and we had a working capital deficit of $769,000.

Our continued operations will depend on our ability to raise additional funds through various potential sources such as equity and debt financing, collaborative agreements, strategic alliances, sale of tax benefits, revenues from the commercial sale of ONCONASE(R) and our ability to realize the full potential of our technology and our drug candidates. Such additional funds may not become available as we need them or be available on acceptable terms. To date, a significant portion of our financing has been through private placements of common stock and warrants, the issuance of common stock for stock options and warrants exercised and for services rendered, debt financing and financing provided by our Chief Executive Officer. Additionally, we have raised capital through the sale of our tax benefits. Until our operations generate significant revenues, we will continue to fund operations from cash on hand and through the sources of capital previously described. After taking into account the net proceeds we received from the sale of our tax benefits in December 2001, we believe that our cash and cash equivalents as of October 31, 2001 will be sufficient to meet our anticipated cash needs through January 2002. The report of our independent auditors on our July 31, 2001 financial statements included an explanatory paragraph which states that our recurring losses, working capital deficit and limited liquid resources raise substantial doubt about our ability to continue as a going concern. Our financial statements at July 31, 2001 and October 31, 2001 do not include any adjustments that might result from the outcome of this uncertainty.

We will continue to incur costs in conjunction with our U.S. and foreign registrations for marketing approval of ONCONASE(R). We are currently in discussions with several potential strategic alliance partners, including major international biopharmaceutical companies, to further the development and marketing of ONCONASE(R) and other related products in our pipeline. However, we cannot be sure that any such alliances will materialize.

New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell state tax loss carryforwards and state research and development credits or tax benefits. For the state fiscal year 2002 (July 1, 2001 to June 30, 2002), the Company has $1,477,000 total available tax benefits of which $426,000 was allocated to be sold between July 1, 2001 and June 30, 2002. In December 2001, we received $354,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2001. In December 2000, we received $451,000 from the sale of the allocated tax benefits which was recognized as a tax benefit for the quarter ended October 31, 2000. We will attempt to sell the remaining balance of our tax benefits in the amount of approximately $1,051,000 between July 1, 2002 and June 30, 2003, subject to all existing laws of the State of New Jersey. However, there is no assurance that the Company will be able to find a buyer for our tax benefits or that such funds will be available in a timely manner.

Our common stock was delisted from The Nasdaq SmallCap Market effective at the close of business April 27, 1999 for failing to meet the minimum bid price requirements set forth in the NASD Marketplace Rules. As of April 28, 1999, our common stock trades on the OTC Bulletin Board under the symbol "ACEL.OB". Delisting of our common stock from Nasdaq could have a material adverse effect on our ability to raise additional capital, our stockholders' liquidity and the price of our common stock.

The market price of our common stock is volatile, and the price of the stock could be dramatically affected one way or another depending on numerous factors. The market price of our common stock could also be materially affected by the marketing approval or lack of approval of ONCONASE(R).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

PART II. OTHER INFORMATION

Item 2. (c) Recent Sales of Unregistered Securities

In April 2001, we issued convertible notes to certain related and unrelated parties in the aggregate amount of $366,993. The notes were due within ninety days unless the lenders elect to exercise an option to convert their note into common stock at the conversion price of $0.90 per share. The related parties elected to convert an aggregate $297,000 notes payable into an aggregate 330,000 shares of common stock. In addition, upon conversion, they received warrants to purchase an aggregate 330,000 shares of common stock at an exercise price of $2.50 per share and with an expiration date of July 7, 2004. An aggregate balance of the notes to unrelated parties in the amount of $69,993 was renewed for 120 days for the same conversion price of $0.90 per share. In October 2001, the remaining noteholders elected to convert an aggregate $64,993 notes payable into an aggregate 72,214 shares of common stock. In addition, upon conversion, they received five-year warrants to purchase an aggregate 72,214 shares of common stock at an exercise price of $1.50 per share. On October 31, 2001, the Board of Directors approved a change in the exercise price of the 330,000 warrants issued to related parties upon conversion of the notes from $2.50 per share to $1.50 per share and changed the expiration date to July 7, 2006.

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In August 2001, we completed a private placement resulting in the issuance of 115,000 shares of restricted common stock and 115,000 five-year warrants to purchase an aggregate of 115,000 shares of common stock at per share exercise price of $1.50 per share. We received an aggregate $103,500 from such private placement.

In August 2001, we converted $50,000 of our accounts payable owed to DZS Computer Solutions, Inc., into 55,556 shares of common stock. In addition we issued to DZS Computer Solutions, Inc. 55,556 five-year warrants to purchase 55,556 shares of common stock at an exercise price of $1.50 per share.

In September 2001, we completed a private placement resulting in the issuance of 200,000 shares of restricted common stock and 200,000 five-year warrants to purchase 200,000 shares of common stock at an exercise price of $1.50 per share. We received an aggregate $100,000 from such private placement.

In October 2001, we completed a private placement resulting in the issuance of 125,000 shares of restricted common stock and 125,000 five-year warrants to purchase an aggregate 125,000 shares of common stock at an exercise price of $1.50 per share. We received an aggregate $62,500 from such private placement.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits (numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Item Title
3.1	Certificate of Incorporation
3.2	By-Laws
3.3	Amendment to Certificate of Incorporation
3.4	Amendment to Certificate of Incorporation
4.1	Form of Convertible Debenture
10.1	Form of Stock and Warrant Purchase Agreements used in private placements

	completed April 1996 and June 1996
10.2	Lease Agreement - 225 Belleville Avenue, Bloomfield, New Jersey
10.3	Form of Stock Purchase Agreement and Certificate used in connection with various private placements
10.4	Form of Stock and Warrant Purchase Agreement and Warrant Agreement used in Private Placement completed on March 21, 1994
10.5	The Company's 1993 Stock Option Plan and Form of Option Agreement
10.6	Debt Conversion Agreement dated March 30, 1994 with Kuslima Shogen
10.7	Accrued Salary Conversion Agreement dated March 30, 1994 with Kuslima Shogen
10.8	Accrued Salary Conversion Agreement dated March 30, 1994 with Stanislaw Mikulski
10.9	Option Agreement dated March 30, 1994 with Kuslima Shogen
10.10	Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Kuslima Shogen
10.11	Form of Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Kuslima Shogen
10.12	Form of Amendment No. 1 dated June 20, 1994 to Option Agreement dated March 30, 1994 with Stanislaw Mikulski

Exhibit No.	Item Title
10.13	Form of Stock and Warrant Purchase Agreement and Warrant Agreement used in Private Placement completed on September 13, 1994
10.14	Form of Subscription Agreements and Warrant Agreement used in Private Placements closed in October 1994 and September 1995
10.15	1997 Stock Option Plan
10.16	Separation Agreement with Michael C. Lowe dated as of October 9, 1997
10.17	Form of Subscription Agreement and Warrant Agreement used in Private Placement completed on February 20, 1998
10.18	Form of Warrant Agreement issued to the Placement Agent in connection with the Private Placement completed on February 20, 1998
10.19	Placement Agent Agreement dated December 15, 1997
10.20	Separation Agreement with Gail Fraser dated August 31, 1999
10.21	Form of Subscription Agreement and Warrant Agreement used in the February 2000 Private Placement
10.22	Form of Subscription Agreement and Warrant Agreement used in the August and September 2000 Private Placement
10.23	Form of Subscription Agreement and Warrant Agreement used in the April 2001 Private Placements
10.24	Form of Convertible Note entered into in April 2001
10.25	Form of Subscription Agreement and Warrant Agreement used in the July 2001 Private Placements
10.26	Form of Subscription Agreement and Warrant Agreement used in the August and October 2001 Private Placements
10.27	Form of Subscription Agreement and Warrant Agreement used in the September 2001 Private Placement
99.1	Factors to Consider in Connection with Forward-Looking Statements

* Previously filed as exhibit to the Company's Registration Statement on Form S-18 (File No. 2-79975-NY) and incorporated herein by reference thereto.

**	Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 1993 and incorporated herein by reference thereto.
***	Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended January 31, 1994 and incorporated herein by reference thereto.
****	Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended April 30, 1994 and incorporated herein by reference thereto.
*****	Previously filed as exhibits to the Company's Registration Statement Form SB-2 (File No. 33-76950) and incorporated herein by reference thereto.
+	Previously filed as exhibits to the Company's Registration Statement on Form SB-2 (File No. 33-83072) and incorporated herein by reference thereto.
++	Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997 and incorporated herein by reference thereto.

+++	Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1998 and incorporated herein by reference thereto.
++++	Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 2000 and incorporated herein by reference thereto.
+++++	Previously filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2000 and incorporated herein by reference thereto.
^	Previously filed as exhibits to the Company's Registration Statement on Form S-1 (File No. 333-38236) and incorporated herein by reference thereto.
^^	Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 2001 and incorporated herein by reference thereto.
#	Previously filed as exhibits to the Company's Annual Report on Form 10-KSB for the year ended July 31, 1995 and incorporated herein by reference thereto.
##	Previously filed as exhibits to the Company's Registration Statement on Form SB-2 (File No. 333-11575) and incorporated herein by reference thereto.
###	Previously filed as exhibits to the Company's Quarterly Report on Form 10-QSB for the quarter ended April 30, 1997 and incorporated herein by reference thereto.
####	Previously filed as exhibits to the Company's Annual Report on Form 10-K for the year ended July 31, 1999 and incorporated herein by

reference thereto.

Filed herewith.

(b) Reports on Form 8-K.

None

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.

ALFACELL CORPORATION
(Registrant)

December 21, 2001

/s/ KUSLIMA SHOGEN
Kuslima Shogen, Chief Executive Officer, Acting Chief Financial Officer (Principal Executive Officer, Principal Accounting Officer) and Chairman of the Board