UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) March 27, 2009

Nexxus Lighting, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23590

(Commission File Number)

124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina

(Address of Principal Executive Offices)

59-3046866 (IRS Employer Identification No.)

> 28262 (Zip Code)

(704) 405-0416 (Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

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

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On March 27, 2009, Nexxus Lighting, Inc. (the "Company") issued a press release reporting its financial results for the fourth quarter and full fiscal year ended December 31, 2008. A copy of the Company's press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

In the press release, the Company uses non-GAAP financial measures. For purposes of SEC Regulation G, a non-GAAP financial measure is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the registrant; or includes amounts, or is subject to adjustments that have the effect of adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the release of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Comparable measures are provided because management uses this information in evaluating the results of the continuing operations of the Company and/or in internal goal setting. In addition, the Company believes this information provides investors better insight on underlying business trends and results in order to evaluate year over year financial performance.

Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure provided as additional information to investors in the press release. EBITDA is an alternative method for assessing the Company's financial condition and operating results. EBITDA is not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. However, management believes that EBITDA may provide additional information with respect to the Company's performance and ability to meet future debt service, capital expenditures and working capital requirements. EBITDA has been reconciled to the GAAP measure net loss in the press release.

For the year ended December 31, 2008, EBITDA was approximately (\$9,369,000) compared to approximately (\$2,442,000) in 2007. The press release also includes a discussion of EBITDA for the year ended December 31, 2008 adjusted for a restructuring and impairment charge of approximately \$2,922,000, debt extinguishment costs of approximately \$628,000 and costs associated with the Company's abandoned follow-on public offering of approximately \$319,000 was approximately (\$5,500,000) (Adjusted EBITDA). While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of the Company's operating performance because:

- EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest and depreciation costs;
- Management considers losses from restructuring and impairment charges and financing transactions to result from investing and financing decisions rather than ongoing operations; and
- Other significant items, while periodically affecting the Company's results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects the comparability of results.

The information furnished pursuant to Item 2.02 of this Form 8-K, including Exhibit 99.1 referenced herein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated March 27, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

March 27, 2009

NEXXUS LIGHTING, INC.

/s/ Gary R. Langford

Name: Gary R. Langford Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.Description99.1Press Release, dated March 27, 2009

PRESS RELEASE

For more information: Michael Eckert, Corporate Marketing Manager, Nexxus Lighting, Inc. 704-405-0416 Email: meckert@nexxuslighting.com

Nexxus Lighting Reports Fourth Quarter and Full Year 2008 Results

Company Reports Record Revenue of \$14.2 Million

CHARLOTTE, NC, March 27, 2009 – Nexxus Lighting, Inc. (NASDAQ Capital Market: NEXS) today reported its fourth quarter and full year 2008 results. Highlights include:

- Record full year company revenue of \$14.2 million an increase of 40% over 2007
- Fourth quarter revenue increase of 33% over the same period of 2007
- Commercial Lighting revenue increased 90% in the fourth quarter of 2008 and 98% for all of 2008 compared to the same periods in 2007
- Pool & Spa Revenue increase 41% in fourth quarter of 2008 and 26% for all of 2008 compared to the same periods in 2007
- Integrated the operations of SV Lighting and Advanced Lighting Systems into a consolidated Commercial Lighting Division during the first quarter of 2009, which is expected to save approximately \$1 million in expense in 2009
- Officially launched its new Array[™] Lighting LED replacement lamp product line
- Adjusted EBITDA of (\$5.5) million excluding certain significant items

2008 Full Year Performance

2008 Revenue

Revenue for 2008 increased 40% to approximately \$14,233,000 compared to approximately \$10,200,000 in 2007. This increase was driven by the September 2007 acquisition of Advanced Lighting Systems (ALS), the April 2008 acquisition of Lumificient Corporation and a 26% increase in revenue from our Pool and Spa Division, offset by lower sales in our SV Lighting and International businesses. Excluding the impact from the September 2007 acquisition of ALS and the April 2008 acquisition of Lumificient, sales decreased 7% to approximately \$9,090,000 in 2008 from approximately \$9,753,000 in 2007.

Revenue from sales of our pool and spa lighting products was approximately \$4,968,000 in 2008, as compared to approximately \$3,941,000 for 2007. Revenue increased approximately \$1,027,000, or 26%, despite the significant year over year reductions in new pool construction. We believe the improvement reflects the impact of our pool and spa management, their efforts to gain market share and the results of new product introductions, specifically sales of our new SaviTM Note lighting system.

Revenue from our commercial lighting products sold through SV Lighting, ALS and Lumificient was approximately \$8,069,000 in 2008, as compared to approximately \$4,075,000 for 2007. This increase of \$3,994,000, or 98%, is attributable to commercial sales by ALS and Lumificient. Excluding revenue attributable to ALS and Lumificient, our commercial sales decreased approximately \$699,000 or 19%. This decrease reflects the drop in commercial construction activity across the United States, especially in the second half of 2008.

Revenue from sales of our products internationally (for our purposes, outside of the United States and Canada) was approximately \$1,194,000 in 2008 as compared to approximately \$2,185,000 for 2007. This decrease of \$991,000, or 45%, was primarily due to weaker world economic conditions and organizational challenges that decreased our service levels.

Sales of LED products accounted for 68% and 51% of our revenue while sales of fiber optic lighting products accounted for 29% and 44% of our revenue for the years ended December 31, 2008 and 2007, respectively. The balance of the revenue mix consisted of sales of water feature products.

2008 Gross Profit

Gross profit for 2008 and 2007 was \$3,480,000 and \$2,747,000, respectively. Gross margins decreased 3% from 27% of sales in 2007 to approximately 24% of sales for 2008. Direct gross margins, which is revenue less material costs, decreased to 50% in 2008 from 56% in 2007. This decrease reflects certain price concessions in our SV Lighting and Pool and Spa Divisions. The addition of ALS and Lumificient also had a dilutive effect as those businesses traditionally experienced lower direct gross margins.

Production costs in 2008 increased to approximately \$3,635,000, or 26% of revenue, as compared \$2,972,000, or 29% of revenue, in 2007. Production costs at our SV Lighting and Pool and Spa Divisions remained roughly flat on lower sales, reflecting higher shipping costs and the effect of booking higher inventory reserves for slow moving products and sales returns in the fourth quarter of 2008. ALS and Lumificient traditionally have lower production costs measured as a percent of revenue, which resulted in lowering our overall ratio of production costs to revenue.

2008 Operating Expenses

Selling, general and administrative (SG&A) expenses in 2008 were approximately \$9,014,000, or 63% of revenue, compared to \$5,562,000, or 55% of revenue in 2007. The addition of ALS and Lumificient accounted for approximately \$2,060,000 of the \$3,452,000 increase in SG&A expense. Excluding the impact of ALS and Lumificient, SG&A expenses increased \$1,610,000 in 2008 as compared to 2007. This net increase was principally due to increase of \$640,000 in wages and payroll taxes due to additions of management and sales positions, a \$424,000 increase for trade show and travel expenses, and a \$192,000 increase in health insurance benefits. The increase in SG&A expenses for the period also reflects an increase of \$202,000 in stock compensation cost to \$430,000 and 2008 expenses related to our new headquarters located in Charlotte, North Carolina, which was opened in June 2007 of approximately \$122,000.

Research and development costs were approximately \$747,000 during 2008 as compared to approximately \$418,000 during 2007. This increase of approximately \$329,000 was primarily due to an increase in wages and direct materials as we developed the Array Lighting product line.

During the fourth quarter of 2008, we made a strategic decision to integrate the operations of ALS with SV Lighting's operations in Orlando, Florida. In March 2009, we closed ALS' Sauk Centre facility and transferred production to our Orlando facility and to third party manufacturers. We recorded a restructuring and impairment charge in 2008 primarily related to the closure of the Sauk Centre, Minnesota facility and organizational restructuring into our new Commercial Lighting Division. The charge consists primarily of impairment of intangible assets totaling approximately \$2,139,000, stay bonuses and one-time termination benefits of approximately \$22,000 that will be paid subsequent to year-end, an increase in the reserve for inventory to be scrapped or destroyed of approximately \$172,000 and the write off of equipment and other assets of \$23,000. In addition, the charge includes a liability of approximately \$566,000 for the settlement of a related party office lease and severance obligation, which was paid by issuing 78,000 shares of common stock subsequent to year-end. The majority of these expenses are non-cash charges.

2008 Net Loss

Net loss for the years ended December 31, 2008 and December 31, 2007 was approximately \$10,370,000 and \$2,940,000, respectively. These results include charges of \$3,869,000 or \$0.50 per basic and diluted common share related to the restructuring and impairment charge, debt extinguishment costs and costs associated with an abandoned follow-on public offering. After including the effects of the dividends related to the preferred stock and warrants issued in 2008, net loss attributable to common stockholders was approximately \$10,512,000. Basic and diluted loss per common share attributable to common stockholders was \$1.35 and \$0.44 for

the years ended December 31, 2008 and December 31, 2007, respectively. Excluding the \$3,869,000 of charges discussed above, basic and diluted loss per common share attributable to common stockholders was \$0.85.

2008 Adjusted EBITDA

EBITDA adjusted for the restructuring and impairment charge of approximately \$2,922,000, the debt extinguishment costs of approximately \$628,000 and costs associated with the abandoned follow-on public offering of approximately \$319,000 was approximately (\$5,500,000) (Adjusted EBITDA). While Adjusted EBITDA is a non-GAAP measurement, we believe that it is an important indicator of operating performance because:

- EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest and depreciation costs;
- Management considers losses from restructuring and impairment charges and financing transactions to result from investing and financing decisions rather than ongoing operations; and
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects the comparability of results.

"With the official launch of our new Array Lighting brand of LED replacement lamps in late December, initial production and orders are beginning to flow. Despite the dramatic slow down in commercial new construction, the market demand for energy efficient replacement lighting solutions is growing, and with the national focus on energy and environmental conservation, we feel we have the right new products at the right time," stated Mike Bauer, President & CEO. "Our Lumificient and Pool and Spa businesses performed extremely well in the fourth quarter and we are optimistic about our plan for 2009. There is no doubt that all of our served markets are down significantly overall. However, by focusing on new product sales and the opportunities our commercial consolidation provides, we believe that our company is in a unique position to capitalize on growth opportunities. We believe that our new Array Lighting brand of LED replacement lamps is a game changing technology, and we are excited about the markets initial response to this product," added Mr. Bauer.

Fourth Quarter Revenue

Total revenues for the three months ended December 31, 2008 increased approximately 33% to approximately \$3,499,000 as compared to approximately \$2,639,000 for the fourth quarter of 2007. Commercial lighting revenue increased 90% or approximately \$1,054,000 in the quarter, as compared to the same period in 2007. This increase was driven by the acquisition of Lumificient in the second quarter of 2008 offset by lower revenue from ALS and SV Lighting due to the significant slow down in new commercial construction as project releases were delayed or canceled. Array Lighting, our new brand of LED replacement light bulb that utilizes a patent pending thermal management system and overall design, was introduced in December 2008 and is expected to support an increase in commercial revenue in 2009 despite the current slow down in commercial construction as well as help improve overall gross margin.

Pool and spa revenue increased 41% or approximately \$373,000 in the fourth quarter of 2008 as compared to the fourth quarter of 2007. This increase was driven by the successful implementation of a year end early buy distributor program consistent with industry practice and the continued success of our Savi Note product line. We have introduced two new product lines in 2009, the Savi Melody and Savi X-stream, and we are focusing on continuing to gain market share in a down market.

Gross Profit

Gross profit for the quarter ended December 31, 2008 decreased \$227,000 to \$328,000 as compared to \$555,000 for the quarter ended December 31, 2007, primarily due to certain significant events in the quarter including increased inventory reserves to address slow moving inventory and 2008 sales returns, as well as the shift to a heavy mix of lower margin pool products due to the slow down in commercial construction. As we look to 2009, the first two months of the year have seen margins returning to historic levels comparable to the third quarter of 2008. We expect to see margins improve throughout 2009, as a result of material cost reductions and anticipated increases in sales of new higher margin products.

Operating Expenses

Operating expenses for the quarter ended December 31, 2008 increased approximately \$3,741,000 to approximately \$5,667,000 as compared to approximately \$1,926,000 for the quarter ended December 31, 2007, primarily as a result of the restructuring and impairment charge of \$2,922,000, an increase of approximately \$655,000 in selling expense and an increase of approximately \$113,000 in research and development expense. The increase in selling expense is primarily from the addition of Lumificient and increased trade show and travel expense in the quarter. The increase in research and development expense reflects work on the development of the Array Lighting product line.

Fourth Quarter Net Loss

Net loss for the three months ended December 31, 2008 and December 31, 2007 was approximately \$6,359,000 and \$1,326,000, respectively. The 2008 results include charges of \$3,869,000, or \$0.48 per basic and diluted share, related to the restructuring and impairment charge, debt extinguishment costs and the abandoned offering costs. After including the effects of the dividends related to the preferred stock and warrants issued in 2008, net loss attributable to common stockholders was approximately \$6,501,000. Basic and diluted loss per common share attributable to common stockholders was \$0.80 and \$0.19 for the three months ended December 31, 2008 and December 31, 2007, respectively. Excluding the \$3,869,000 of charges discussed above, basic and diluted loss per common share attributable to common stockholders was \$0.32.

As of December 31, 2008 the company had no long term debt and had cash and cash equivalents of \$2,949,000.

"Fiscal 2008 was a challenging year for the U.S. economy, and its effect on consumer confidence and financial markets reflects the turmoil facing the lighting industry and our business," stated Gary Langford, Chief Financial Officer of Nexxus Lighting. "Nevertheless, we are pleased with the investments and strategic decisions that we have made to position us in the marketplace."

Nexxus Lighting, Inc. Life's Brighter!TM

For more information, please visit the new Nexxus Lighting web site at <u>www.nexxuslighting.com</u>

Certain of the above statements contained in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Reference is made to Nexus Lighting's filings under the Securities Exchange Act for factors that could cause actual results to differ materially. Nexus Lighting undertakes no obligation to publicly update or revise any forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

NEXXUS LIGHTING, INC. CONSOLIDATED BALANCE SHEETS

Cash and cash equivalents \$ 2,948,632 \$ 170,260 Investments		December 31,	
Current Assets: Cash and cash equivalents \$ 2,948,632 \$ 170.267 Restricted investments		2008	2007
Cash and cash equivalents \$ 2,948,632 \$ 170,260 Investments	ASSETS		
Restricted investments — 500.00 Investments — 2.475.00 Trade accounts roceivable less allowance for doubtful accounts of \$123.837 and \$84.615 2.085.343 1.317.59 Inventories, less reserve of \$729.765 and \$299,465 4.300.952 3.725.88 Prepaid expenses 123.180 384.30 Other assets 9.495.731 8.605.07 Machinery and equipment 3.204.222 2.421.94 Muchinery and equipment 3.204.222 2.421.94 Computers and software 992.274 870.27 Lesschold improvements 564.048 555.72 Property held under capital lease 19.112 19.112 Other intangible assets, less accumulated amortization of \$293.694 and \$66.817 3.306.533 296.98 Other assets, net 444.433 121.04 121.04 Current Liabilities 54.948 \$1.317.52 2.060.431 Accurued compensation and benefits 305.490 \$1.331.696 \$1.331.696 Current Liabilities 54.948 \$1.317.924 218.251 Dividends payable \$	Current Assets:		
Investments — 2.475,000 Trada acounts receivable, less allowance for doubtful acounts of \$123,837 and \$84,615 2.085,343 1.317,597 Inventories, less reserve of \$729,765 and \$299,465 4.300,952 3.725,883 Orber assets 3.7624 3.202 Total current assets 9.405,731 8.605,772 Property and Equipment. 3.204,222 2.421,944 Promire and fixtures 718,887 497,144 Computers and software 992,274 870,277 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,111 Accumulated depreciation and amortization (3.484,811) (3.006,67) Net property and equipment 2.013,532 1.335,525 Other assets, less accumulated amortization of \$293,694 and \$66,817 3.306,533 296,98 Current Liabilities: 2.443,344,310 2.100 \$1,107,724 Accuruel averance and lease termination costs \$3,422,100 \$1,107,724 Accuruel compensation and benefits 305,490 100,257 Current Liabilitites 407,2		\$ 2,948,632	,
Trade accounts receivable, less allowance for doubtful accounts of \$123,837 and \$84,615 2,085,343 1,317,598 Prepaid expenses 123,180 384,300 Other assets 37,0528 22,02 Total current assets 9,495,731 8,605,07 Machinery and equipment: 718,837 497,141 Machinery and equipment: 718,837 497,141 Computers and software 718,837 497,141 Computers and software 544,048 555,72 Property held under capital lease 19,112 19,111 Computers and asoftware 5,4948 55,72 Other intangible assets, less accumulated amortization (3,484,511) (3,006,677 Net property and equipment 2,013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 12,117,843,609 \$13,31,316,96 Deposits on equipment 57,306 \$5,899 \$1,017,22 Accounts payable \$3,422,160 \$1,107,22 \$288,044 \$1,217,843,609 \$13,316,965 Current Liabilities \$3,422,160	Restricted investments	_	,
Inventories, less reserve of S729,765 and \$299,465 4,300,952 3,725,88 Prepaid expenses 123,180 384,30 Other assets 37,624 32,02 Total current assets 9,495,731 8,605,07 Property and Equipment. 3,204,222 2,421,94 Fumiture and fixtures 718,837 497,144 Computers and software 992,274 870,27 Leaschold improvements 564,048 555,72 Property hell under capital lease 19,112 19,111 Accumulated depreciation and amortization (5,484,631) (3,006,67) Net property and equipment 2,013,532 1,857,52 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Other assets, net 121,047 44,433 121,047 Accumuts payable 5,3,422,160 \$1,107,727 Accurud severance and lease termination costs 588,181 Current protion of payable to related party under acquisition agreement 497,242 218,256 Dividends payable relatibilities -		—	
Prepaid expenses 123,180 384,200 Other assets 37,624 32,02 Total current assets 9,495,731 8,605,07 Property and Equipment: 718,387 497,141 Machinery and equipment 3,204,222 2,421,944 Computers and software 992,274 870,27 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,111 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,021,532 1,235,523 269,68 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 57,306 55,399 55,399 Other assets, net 1,474,333 121,040 \$1,107,724 Accurued severance and lease termination costs 58,181			
Other asses 7,624 32,02 Total current assets 9,495,731 8,605,07 Property and Equipment: 3,204,222 2,421,94 Machinery and equipment 3,204,222 2,421,94 Furniture and fixtures 718,387 497,141 Computers and software 992,274 870,27 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,112 Accumulated depreciation and amortization (2,438,451) (3,006,573 Net property and equipment 2,013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,300,533 296,98 Goedwill 2,926,158 2,880,444 12,104 Deposits on equipment 57,306 55,899 Other assets, net 1217,843,603 \$13,316,967 LIABILITIES AND STOCKHOLDERS' EQUITY \$17,843,693 \$13,316,967 Current portion of payable to related party under acquisition agreement \$6,702 \$3,337 Accrued severance and lease termination costs \$8,114 -		4,300,952	
Total current assets 9,495,731 8,605,07. Property and Equipment: 3,204,222 2,421,94 Furniture and fixtures 718,387 497,14 Computers and software 992,274 870,27 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,112 Accumulated depreciation and amortization (3,484,511) (3,006,67 Net property and equipment 2,013,532 123,732 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 513,732 Deposits on equipment 2,926,158 2,880,44 Deposits on equipment 513,306 55 Other assets, net 44,433 121,047 Strasta,603 \$13,316,967 \$1,107,722 Accounts payable \$ 3,422,160 \$ 1,107,722 Accounde severance and lease termination costs \$ 8,442,160 \$ 1,107,722 Accrued severance and benefits 306,671 - Current Liabilifities		123,180	384,308
Property and Equipment: 3,204,222 2,421,944 Machinery and equipment 3,204,222 2,421,944 Computers and software 992,274 870,27 Leasehold improvements 561,048 555,72 Property held under capital lease 19,112 19,112 Accumulated depreciation and amortization (3,484,51) (3,006,57) Accumulated depreciation and amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,026,158 2,880,44 121,047 Deposits on equipment 57,306 55,899 Other assets, net 444,433 121,047 S112,843,603 \$13,316,067 Current Labilities: 3 49,742 Accound severance and lease termination costs 58,818 - Accurde severance and lease termination costs 58,702 53,333,944 Accurde severance and lease termination costs 58,712 21,743,300 Accurde severance and lease termination costs 58,702 53,333,724 Accurde severance and lease termination costs 56,702 53,333,839 Cur	Other assets	37,624	32,021
Machinery and equipment 3,204,222 2,421,94 Furniture and fixtures 718,387 497,141 Computers and software 992,274 870,27 Lasschold improvements 564,048 555,72 Property held under capital lease 19,112 19,111 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,532 1,357,52 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 121,047 Stransets, net 44,433 121,047 Current Liabilities: 44,433 121,047 Accrued severance and lease termination costs 58,881 - Accrued severance and lease termination costs 58,881 - Accrued compensation and benefits 305,490 160,255 Current portion of dayable to related party under acquisition agreement 497,242 218,256 Dividends payable 55,157 205,717 - - Current portion of defered rent 56,	Total current assets	9,495,731	8,605,073
Machinery and equipment 3,204,222 2,421,94 Furniture and fixtures 718,387 497,141 Computers and software 992,274 870,27 Lasschold improvements 564,048 555,72 Property held under capital lease 19,112 19,111 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,532 1,357,52 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 121,047 Stransets, net 44,433 121,047 Current Liabilities: 44,433 121,047 Accrued severance and lease termination costs 58,881 - Accrued severance and lease termination costs 58,881 - Accrued compensation and benefits 305,490 160,255 Current portion of dayable to related party under acquisition agreement 497,242 218,256 Dividends payable 55,157 205,717 - - Current portion of defered rent 56,	Property and Equipment:		
Furniture and fixures 718,387 497,144 Computers and software 992,274 870,27 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,111 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 Deposits on equipment 57,306 55,899 Other assets, net 444,333 121,043 LIABILITIES AND STOCKHOLDERS' EQUITY 117,843,693 \$13,316,960 Current Liabilities: 305,490 160,257 Current payable \$ 3,422,160 \$ 1,107,724 Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,257 Dividends payable 65,157 205,71 Other current liabilities 117,445		3,204,222	2,421,946
Computes and software 992,274 870,27 Leasehold improvements 564,048 555,72 Property held under capital lease 19,112 19,112 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,552 (1,357,52) Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 GoodWill 2,926,158 2,880,44 121,047 Deposits on equipment 573,06 55,899 Other assets, net 44,433 121,047 Current Liabilities: 44,433 121,047 Accounts payable \$ 3,422,160 \$ 1,107,722 Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,254 Dividends payable 56,702 53,383 Current portion of payable to related party under acquisition agreement 497,242 218,254 Dividends payable 56,702 53,383 Current portion of deferred rent			
Lessehold improvements 564,048 555,72 Property held under capital lease 19,112 19,112 19,112 19,112 19,112 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,532 1,357,522 Other intargible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 121,04 Deposits on equipment 57,306 55,89 Other assets, net 44,433 121,04 Sti7,843,693 \$13,316,96 \$1,107,724 Accrued severance and lease termination costs \$88,181 - Accrued compensation and benefits 305,490 160,257 Dividends payable 80,717 - - Current portion of payable to related party under acquisition agreement 497,242 218,255 Dividends payable 5,130,904 3,188,76 Dividends payable 5,133,094 3,188,76 Dividends payable 5,133,094 3,188,76 Dividends pay			
Property held under capital lease 19,112 19,112 19,112 Accumulated depreciation and amortization (3,484,511) (3,006,67) Net property and equipment 2,013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Opposits on equipment 2,926,158 2,880,44 Deposits on equipment 57,306 55,89 Other assets, net 44,433 121,044 Strong and benefits 51,33,316,953 \$13,3316,953 Current Liabilities: - - - Accounts payable \$ 3,422,160 \$ 1,107,722 Accrued severance and lease termination costs 588,181 - Accrued severance and lease termination costs 588,181 - Current portion of deferred rent 56,702 53,833 Revolving line of credit - 1,443,000 Deposits 65,157 205,71 Other current liabilities 5,133,094 3,188,76 Payable to related party under acquisition agreement 100,000 100,000			
Accumulated depreciation and amortization 5,498,043 4,364,191 Accumulated depreciation and amortization (3,484,511) (3,006,67 Net property and equipment 2,013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,984 Goodwill 2,926,158 2,880,441 Deposits on equipment 57,306 55,899 Other assets, net 44,433 121,044 S17,843,693 \$13,316,963 \$13,316,963 Current Liabilities: 44,433 121,044 Accrued severance and lease termination costs 588,181			
Accumulated depreciation and amortization (3,484,511) (3,006,67 Net property and equipment 2,013,532 (3,57,52) Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,988 Goodwill 2,926,158 2,880,444 Deposits on equipment 57,306 55,899 Other assets, net 44,433 121,044 ELIABILITIES AND STOCKHOLDERS' EQUITY \$17,843,693 \$13,316,966 Current Liabilities: \$3,422,160 \$1,107,720 Accounted severance and lease termination costs \$88,181 - Accrued compensation and benefits 305,490 160,255 Current portion of payable to related party under acquisition agreement 497,242 218,250 Dividends payable \$6,702 \$53,309 3,188,767 Current portion of deferred rent \$56,702 \$53,309 3,188,767 Deposits \$6,157 205,711 \$6,702 \$53,333 Revolving line of credit - 1,443,000 \$10,0000 \$100,000 Deposits \$5,133,094 3,188,767			
Net property and equipment 2.013,532 1,357,522 Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,44 Deposits on equipment 57,306 55,899 Other assets, net 44,433 121,047 ELIABILITIES AND STOCKHOLDERS' EQUITY \$13,316,960 Current Liabilities: \$1,107,724 Accrued severance and lease termination costs \$8,3422,160 \$1,107,724 Accrued compensation and benefits 305,490 160,255 Current portion of payable to related party under acquisition agreement 497,242 218,250 Dividends payable 65,157 205,717 — Current portion of deferred rent 56,702 53,833 — Current portion of deferred rent 56,702 53,833 — — Total current liabilities 51,33,094 3,188,762 — Payable to related party under acquisition agreement, less current portion 100,000 100,000 100,000 Deposits 51,33,094 3,188,762 —	Accumulated depreciation and amortization		
Other intangible assets, less accumulated amortization of \$293,694 and \$66,817 3,306,533 296,98 Goodwill 2,926,158 2,880,444 Deposits on equipment 57,306 55,899 Other assets, net 444,433 121,047 Strand \$13,316,963 \$13,316,963 LLABILITIES AND STOCKHOLDERS' EQUITY Strands,003 \$11,017,720 Current Liabilities: 305,490 160,257 Accrued severance and lease termination costs 588,181 - Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,255 Dividends payable 56,157 205,711 Other current liabilities 117,445 - Total current liabilities 5,133,094 3,188,765 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deposits 5,133,094 3,188,765 - Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deposits 5,416,325			
Goodwill 2,926,158 2,880,444 Deposits on equipment 57,306 55,890 Other assets, net 44,433 121,047 Str7,843,693 \$13,316,967 \$13,316,967 Current Liabilities: - - 44,433 121,047 Accounts payable \$ 3,422,160 \$ 1,107,724 \$ 1,107,724 Accrued severance and lease termination costs 588,181 - - Accrued compensation and benefits 305,490 160,255 Current portion of payable to related party under acquisition agreement 497,242 218,255 Dividends payable 80,717 - - 1,443,000 Deposits 65,157 205,711 - - 1,443,000 Deposits 65,157 205,711 - - 1,443,000 00,000 100,000 100,000 100,000 100,000 100,000 100,000 100,000 100,000 100,000 100,000 100,000 166,172 204,516 24,516 24,516,325 3,493,28 5,516,325 3,493,28 <t< td=""><td></td><td></td><td>-</td></t<>			-
Deposits on equipment $57,306$ $55,899$ Other assets, net $44,433$ $121,047$ \$17,843,693 \$13,316,967 LIABILITIES AND STOCKHOLDERS' EQUITY Current Liabilities: Accounts payable \$ 3,422,160 \$ 1,107,724 Accrued severance and lease termination costs $588,181$ - Accrued compensation and benefits $305,490$ $160,255$ Current portion of payable to related party under acquisition agreement $497,242$ $218,256$ Dividends payable $80,717$ - Current portion of deferred rent $56,702$ $53,333$ Revolving line of credit - 1,443,000 Deposits $65,157$ $205,117$ Other current liabilities $51,33,094$ $3,188,767$ Payable to related party under acquisition agreement, less current portion $100,000$ $100,000$ Deposits $51,33,094$ $3,188,767$ $-$ Total current liabilities $51,33,094$ $3,188,767$ $-$ Total current liabilities $51,33,094$ $3,188,767$ $ -$ Total curr			
Other assets, net $\frac{44,433}{\$17,843,693}$ $\frac{121,047}{\$13,816,963}$ LIABILITIES AND STOCKHOLDERS' EQUITYCurrent Liabilities: $\$$ 3,422,160 $\$$ 1,107,724Accounts payable $\$$ 3,422,160 $\$$ 1,107,724Accrued severance and lease termination costs $588,181$ $-$ Accrued compensation and benefits $305,490$ 160,257Current portion of payable to related party under acquisition agreement $497,242$ $218,257$ Dividends payable $80,717$ $-$ Current portion of deferred rent $56,702$ $53,833$ Revolving line of credit $ 1,443,000$ Deposits $65,157$ $205,717$ Other current liabilities $51,133,094$ $3,188,762$ Payable to related party under acquisition agreement, less current portion $100,000$ $100,000$ Deposits $5,137,094$ $3,188,762$ Payable to related party under acquisition agreement, less current portion $166,172$ $204,510$ Other liabilities $5,416,325$ $3,493,288$ Stockholders' Equity:Total liabilities $5,416,325$ $3,493,288$ Stockholders' Equity: $5,5100,000,000$ shares authorized, 1,571 and none issued and outstanding $8,134$ $6,980$ Additional paid-in capital $32,721,442$ $20,523,607$ Additional paid-in capital $32,721,442$ $20,523,607$ Additional paid-in capital $32,721,442$ $20,523,607$ Additional paid-in capital $32,2721,442$ $20,523,607$ Additional paid-in capital<			
\$17,843,690 \$13,316,96 LIABILITIES AND STOCKHOLDERS' EQUITY Current Liabilities:			
LIABILITIES AND STOCKHOLDERS' EQUITY Current Liabilities: Accounts payable \$ 3,422,160 \$ 1,107,724 Accrued severance and lease termination costs 588,181 — Accrued compensation and benefits 305,490 160,255 Current portion of payable to related party under acquisition agreement 497,242 218,256 Dividends payable 80,717 — Current portion of deferred rent 56,702 53,837 Revolving line of credit — 14,43,000 Deposits 65,157 205,711 Other current liabilities — 117,445 — Total current liabilities 5,133,094 3,188,767 _ Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 5,416,325 3,493,28 Stockholders' Equity:	Other assets, net		
Current Liabilities: Accounts payable \$ 3,422,160 \$ 1,107,720 Accrued severance and lease termination costs 588,181 - Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,257 Dividends payable 80,717 - Current portion of deferred rent 56,702 53,833 Revolving line of credit - 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 - Total current liabilities 5,133,094 3,188,762 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 17,059 - Total liabilities 5,416,325 3,493,28 Stockholders' Equity: - - - Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 - Common stock, \$.001 par value, 25		\$17,843,693	\$13,316,962
Current Liabilities: Accounts payable \$ 3,422,160 \$ 1,107,720 Accrued severance and lease termination costs 588,181 - Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,257 Dividends payable 80,717 - Current portion of deferred rent 56,702 53,833 Revolving line of credit - 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 - Total current liabilities 5,133,094 3,188,762 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 17,059 - Total liabilities 5,416,325 3,493,28 Stockholders' Equity: - - - Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 - Common stock, \$.001 par value, 25	LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable \$ 3,422,160 \$ 1,107,720 Accrued severance and lease termination costs 588,181 — Accrued compensation and benefits 305,490 160,255 Current portion of payable to related party under acquisition agreement 497,242 218,250 Dividends payable 80,717 — Current portion of deferred rent 56,702 53,833 Revolving line of credit — 1,443,000 Deposits 65,157 205,71 Other current liabilities 117,445 — Total current liabilities 5,133,094 3,188,769 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 5,416,325 3,493,28 Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980			
Accrued severance and lease termination costs 588,181 Accrued compensation and benefits 305,490 160,257 Current portion of payable to related party under acquisition agreement 497,242 218,251 Dividends payable 80,717 Current portion of deferred rent 56,702 53,833 Revolving line of credit 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 Total current liabilities 5,133,094 3,188,765 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 100,000 Deferred rent, less current portion 106,172 204,510 Other liabilities 17,059 Total liabilities 5,416,325 3,493,28 Stockholders' Equity: - - 5,416,325 3,493,28 Common stock, \$,001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 -		\$ 3,422,160	\$ 1.107.720
Accrued compensation and benefits $305,490$ $160,255$ Current portion of payable to related party under acquisition agreement $497,242$ $218,250$ Dividends payable $80,717$ $-$ Current portion of deferred rent $56,702$ $53,833$ Revolving line of credit $ 1,443,000$ Deposits $65,157$ $205,711$ Other current liabilities $117,445$ $-$ Total current liabilities $5,133,094$ $3,188,706$ Payable to related party under acquisition agreement, less current portion $100,000$ $100,000$ Deferred rent, less current portion $106,172$ $204,516$ Other liabilities $17,059$ $ -$ Total liabilities $5,416,325$ $3,493,28$ Stockholders' Equity: 5 $5,416,325$ $3,493,28$ Additional paid-in capital $25,000,000$ shares authorized, $1,571$ and none issued and outstanding $774,646$ $-$ Common stock, $\$,001$ par value, $25,000,000$ shares authorized, $\$,134,132$ and $6,979,103$ issued and outstanding $\$,134$ $6,988$ Additional paid-in capital $32,721,442$ $20,523,602$ Additional paid-in capital $32,721,442$ $20,523,602$ Accumulated deficit $(21,076,854)$ $(10,706,90)$ Total stockholders' equity $12,427,368$ $9,823,682$			
Current portion of payable to related party under acquisition agreement 497,242 218,250 Dividends payable 80,717 Current portion of deferred rent 56,702 53,833 Revolving line of credit 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 Total current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 17,059 Total liabilities 5,416,325 3,493,28 Stockholders' Equity:		, -	
Current portion of payable to related party under acquisition agreement 497,242 218,250 Dividends payable 80,717 Current portion of deferred rent 56,702 53,833 Revolving line of credit 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 Total current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 17,059 Total liabilities 5,416,325 3,493,28 Stockholders' Equity:	Accrued compensation and benefits	305,490	160,252
Current portion of deferred rent 56,702 53,832 Revolving line of credit — 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 — Total current liabilities 5,133,094 3,188,762 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,510 Other liabilities 17,059 — Total liabilities 5,416,325 3,493,28 Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,900 Total stockholders' equity 12,427,368 9,823,68		497,242	218,250
Revolving line of credit — 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 — Total current liabilities 5,133,094 3,188,762 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,516 Other liabilities 17,059 — Total liabilities 5,416,325 3,493,28 Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,600 420,523,600 Accumulated deficit (21,076,854) (10,706,90 Total stockholders' equity 12,427,368 9,823,68	Dividends payable	80,717	_
Revolving line of credit — 1,443,000 Deposits 65,157 205,711 Other current liabilities 117,445 — Total current liabilities 5,133,094 3,188,762 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 100,000 100,000 Deferred rent, less current portion 166,172 204,516 Other liabilities 17,059 — Total liabilities 5,416,325 3,493,28 Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,600 420,523,600 Accumulated deficit (21,076,854) (10,706,90 Total stockholders' equity 12,427,368 9,823,68		56,702	53,832
Deposits 65,157 205,71 Other current liabilities 117,445 Total current liabilities 5,133,094 3,188,769 Payable to related party under acquisition agreement, less current portion 100,000 100,000 Deferred rent, less current portion 106,172 204,510 Other liabilities 17,059 Total liabilities 5,416,325 3,493,28 Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding 774,646 Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,600 Accumulated deficit (21,076,854) (10,706,90) Total stockholders' equity 12,427,368 9,823,68		_	1,443,000
Other current liabilities117,445—Total current liabilities5,133,0943,188,762Payable to related party under acquisition agreement, less current portion100,000100,000Deferred rent, less current portion166,172204,510Other liabilities17,059—Total liabilities5,416,3253,493,28Stockholders' Equity:53,493,28Stockholders' Equity:53,493,28Common stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646Outstanding774,646—Additional paid-in capital32,721,44220,523,602Accumulated deficit(21,076,854)(10,706,90)Total stockholders' equity12,427,3689,823,68		65,157	
Payable to related party under acquisition agreement, less current portion100,000Deferred rent, less current portion166,172204,510Other liabilities17,059—Total liabilities5,416,3253,493,28Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646—Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,602Accumulated deficit(21,076,854)(10,706,90)Total stockholders' equity12,427,3689,823,68	Other current liabilities	117,445	
Payable to related party under acquisition agreement, less current portion100,000Deferred rent, less current portion166,172204,510Other liabilities17,059—Total liabilities5,416,3253,493,28Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646—Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,602Accumulated deficit(21,076,854)(10,706,90)Total stockholders' equity12,427,3689,823,68	Total current liabilities	5 133 094	3 188 76
Deferred rent, less current portion166,172204,510Other liabilities17,059-Total liabilities5,416,3253,493,28Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646-Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,602Accumulated deficit(21,076,854)(10,706,90)Total stockholders' equity12,427,3689,823,68			
Other liabilities17,059—Total liabilities5,416,3253,493,28Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646—Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,603Accumulated deficit(21,076,854)(10,706,90)Total stockholders' equity12,427,3689,823,68			
Total liabilities5,416,3253,493,28Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646—Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,600Accumulated deficit(21,076,854)(10,706,900Total stockholders' equity12,427,3689,823,68			204,510
Stockholders' Equity: Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none 774,646 — issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and 8,134 6,980 outstanding 8,134 20,523,602 Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,900 Total stockholders' equity 12,427,368 9,823,68			2 402 201
Series A convertible preferred stock, \$.001 par value, 3,000 shares authorized, 1,571 and none issued and outstanding774,646Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding8,1346,980Additional paid-in capital32,721,44220,523,602Accumulated deficit(21,076,854)(10,706,900Total stockholders' equity12,427,3689,823,68		5,416,325	3,493,28
issued and outstanding 774,646 — Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,900) Total stockholders' equity 12,427,368 9,823,682			
Common stock, \$.001 par value, 25,000,000 shares authorized, 8,134,132 and 6,979,103 issued and outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,900) Total stockholders' equity 12,427,368 9,823,682			
outstanding 8,134 6,980 Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,902) Total stockholders' equity 12,427,368 9,823,682		774,646	
Additional paid-in capital 32,721,442 20,523,602 Accumulated deficit (21,076,854) (10,706,902) Total stockholders' equity 12,427,368 9,823,682	•	0.404	
Accumulated deficit (21,076,854) (10,706,90) Total stockholders' equity 12,427,368 9,823,68		,	
Total stockholders' equity 12,427,368 9,823,68			
<u>\$ 17,843,693</u> <u>\$ 13,316,962</u>	Total stockholders' equity		
		\$ 17,843,693	\$ 13,316,962

NEXXUS LIGHTING, INC. CONSOLIDATED STATEMENTS OF OPERATIONS

Revenues Cost of sales Gross profit Operating expenses: Selling, general and administrative Research and development Restructuring and impairment charge Total operating expenses	2008 \$ 14,232,769 10,753,118 3,479,651 9,014,274 746,836 2,922,331 12,683,441 (0,202,700)	2007 \$10,200,349 7,453,549 2,746,800 5,562,398 417,661 5,980,059
Cost of sales Gross profit Operating expenses: Selling, general and administrative Research and development Restructuring and impairment charge	<u>10,753,118</u> 3,479,651 9,014,274 746,836 <u>2,922,331</u> 12,683,441	7,453,549 2,746,800 5,562,398 417,661
Gross profit Operating expenses: Selling, general and administrative Research and development Restructuring and impairment charge	3,479,651 9,014,274 746,836 2,922,331 12,683,441	2,746,800 5,562,398 417,661
Operating expenses: Selling, general and administrative Research and development Restructuring and impairment charge	9,014,274 746,836 2,922,331 12,683,441	5,562,398 417,661
Operating expenses: Selling, general and administrative Research and development Restructuring and impairment charge	746,836 2,922,331 12,683,441	417,661
Research and development Restructuring and impairment charge	746,836 2,922,331 12,683,441	417,661
Restructuring and impairment charge	2,922,331 12,683,441	
	12,683,441	 5,980,059
Total operating expenses		5,980,059
Total operating expenses	(0, 202, 700)	
Operating loss	(9,203,790)	(3,233,259)
Non-operating income (expense):		
Interest income	62,347	295,379
Other income	41,822	36,684
Debt extinguishment costs	(628,271)	_
Abandoned offering costs	(318,853)	—
Interest expense	(323,208)	(38,940)
Total non-operating (expense) income, net	(1,166,163)	293,123
Net loss	\$(10,369,953)	\$ (2,940,136)
Preferred stock dividends:		
Amortization of the preferred stock beneficial conversion feature and preferred stock discount	(61,279)	_
Accrual of preferred stock dividends	(80,717)	
Net loss attributable to common stockholders	\$(10,511,949)	\$ (2,940,136)
Basic and diluted loss per common share attributable to common stockholders	\$ (1.35)	\$ (0.44)
sic and diluted weighted average shares outstanding	7,790,708	6,751,947

NEXXUS LIGHTING, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

Amortization of intangible assets and other assets 19 Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3 Loss on disposal of property and equipment 62 Abandoned offering costs 31 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2.92 Increase in inventory reserve 25 Bond discount amortization 43 Charges in operating assets and liabilities (10 (Increase) decrease in accounts receivable, net (39 (Increase) decrease in inventories (31 Decrease (increase) in prepaid expenses 26 Decrease (increase) in other assets 11 (Increase) decrease in accounts payable and related party payable 1,29 Increase in accrued compensation and benefits 11 (Decrease) (increase) in deposits (44 Total adjustments 6,32 Net cash used in operating activities 2,97 Purchase of property and equipment (84 Acquisition of Lumificient Corporation, net of cash acquired (2,46 Acquisition of Advanced Lighting Systems		ecember 31,
Net loss \$(10,360 Adjustments to reconcile net loss to net cash (used in) provided by operating activities: Depreciation Depreciation 48 Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3 Loss on disposal of property and equipment 62 Abandoned offering costs 31 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2,92 Increase in inventory reserve 25 Bond discount amortization 43 Charges in operating assets and liabilities (1) Increase (correase in inventories 31 Increase (increase) in prepaid expenses 26 Decrease (increase) in other assets 1 Increase (increase) in opensition and benefits 11 Increase (increase) in accounts payable and related party payable 1,29 Increase (increase) in accounts payable and related party payable 1,29 Increase in inventories 2,67 Purchase of investments 2,97 Purchase of investments 2,97 Purchase of investrunes 2,97	8	2007
Adjustments to reconcile net loss to net cash (used in) provided by operating activities: 48 Amortization of intangible assets and other assets 19 Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3) Loss on disposal of property and equipment 62 Abandoned offering costs 62 Abandoned offering costs 62 Abandoned offering costs 62 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2,92 Increase in inventory reserve 25 Bond discount amortization 43 Changes in operating assets and liabilities (1 (Increase) decrease in accounts receivable, net (39 (Increase) decrease in inventories (31 Decrease (increase) in other assets 11 Increase (decrease) in other assets 12 Increase (accrease) in other assets 14 Total adjustments 6,32 Net cash used in operating activities (404 Cash Flows from Investing Activities: 2,97 Purchase of property and equipment (64		
Depreciation 48 Amortization of intangible assets and other assets 19 Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3 Loss on disposal of property and equipment 62 Debt extinguishment costs 62 Abandoned offering costs 31 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2.92 Increase in inventory reserve 25 Bond discount amortization 43 Changes in operating assets and liabilities (1 (Increase) decrease in inventories (31 Decrease (increase) in prepaid expenses 26 Decrease (increase) in other assets 1 Increase (decrease) in accounts payable and related party payable 1.29 Increase (increase) in accounts payable and related party payable 1.29 Increase (increase) in corounts payable and related party payable 6.32 Net cash used in operating activities (4.04 Cash Flows from Investing Activities: 2.97 Purchase of property and equipment (84 Acquisition of Lumificient Corporation,	9,953)	\$ (2,940,136
Anortization of intangible assets and other assets 19 Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3 Loss on disposal of property and equipment 62 Abandoned offering costs 31 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2,92 Increase in inventory reserve 25 Bond discount amortization 43 Changes in operating assets and liabilities (1 (Increase) decrease in accounts receivable, net (39 (Increase) decrease in accounts receivable, net (39 (Increase) decrease in accounts payable and related party payable 1,29 Increase (increase) in other assets 11 (Decrease (increase) in activities 6,32 Net cash used in operating activities (4,04 Cash Flows from Investing Activities: 2,97 Purchase of property and equipment (84 Acquisition of Lumificient Corporation, net of cash acquired (2,46 Acquisition of patents and trademarks (16 Proceeds from secured promissory note (6 Proceeds from		
Amortization of deferred financing costs and debt discount 18 Amortization of deferred rent (3) Loss on disposal of property and equipment 62 Abandoned offering costs 31 Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2,92 Increase in inventory reserve 25 Bond discount amortization 43 Changes in operating assets and liabilities (10) (Increase) decrease in accounts receivable, net (39) (Increase) decrease in inventories (31) Decrease (increase) in other assets 11 Increase (increase) in inventories (31) Increase (increase) in accounts payable and related party payable 1,29 Increase (increase) in other assets 11 (Decrease (increase) in accounts payable and related party payable 1,29 Increase in accrued compensation and benefits 11 (Decrease) increase in deposits (404) Cash Flows from Investing Activities: 2 Purchase of investments 2,97 Purchase of property and equipment (84) Acquisition of Lumificient Corporation, net o	6,313	491,022
Amortization of deferred rent (3) Loss on disposal of property and equipment (3) Debt extinguishment costs 62 Abandoned offering costs 31: Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2.922 Increase in inventory reserve 25 Bond discount amortization 43 Changes in operating assets and liabilities (10) (Increase) decrease in accounts receivable, net (39 (Increase) decrease in inventories (31) Decrease (increase) in orperating astets 11 Increase in accounts payable and related party payable 1.29 Increase in accreade compensation and benefits 11 (Decrease) increase in deposits (14) Total adjustments 6.32 Net cash used in operating activities 2.97 Purchase of property and equipment (84 Acquisition of Lumificient Corporation, net of cash acquired (2,46 Acquisition of Lumificient Corporation, net of cash acquired (2,46 Acquisition of Lumificient Corporation, net of cash acquired (14) Cash Flows from Financing Activities:	1,126	(31,783
Loss on disposal of property and equipment Debt extinguishment costs 62 Abandoned offering costs 31: Interest expense paid by issuance of preferred stock and warrants 9 Restructuring and impairment charge 2.92 Increase in inventory reserve 25 Bond discount amortization 43: Changes in operating assets and liabilities (39 (Increase) decrease in inventories (31: Decrease (increase) in prepaid expenses 26 Decrease (increase) in other assets 11: Increase (decrease) in occunts payable and related party payable 1.299 Increase (increase) in other assets 11: (Decrease) increase in deposits 11: (Decrease) increase in deposits 11: (Decrease) increase in deposits 11: (Decrease) increase in deposits 22: Net cash used in operating activities 24.77 Purchase of investments 22: Purchase of investments 22: Purchase of property and equipment 24.79 Purchase of property and equipment 24.79 Net cash (used in) provided by investing activities 12: Purchase of property and equipment 23: Net cash (used in) provided by investing activities 23: Net cash (used in) provided by investing activities 33: Net cash (used in) provided by investing activities 33: Net cash (used in) provided by investing activities 33: Net cash (used in) provided by investing activities 33: Payments on promissory note (24: Payments on promissory note (24: Payments on promissory note (24: Payments on promissory note (24: Payments on promissory note 33: Net proceeds from sisuance of preferred stock and warrants 33: Net proceeds from sisuance of preferred stock and warrants 33: Net proceeds from sisuance of preferred stock options and warrants, net 1.99 Cost incurred for abandoned offering (31: Deferred financing costs (16: Costs associated with Class B common stock conversion 34: Net cash provided by financing activities 74: Net cash provided	7,839	
Debt extinguishment costs62Abandoned offering costs31Interest expense paid by issuance of preferred stock and warrants9Restructuring and impairment charge2,92Increase in inventory reserve25Bond discount amortization43Changes in operating assets and liabilities43Charges in operating assets and liabilities39(Increase) decrease in inventories31Decrease (increase) in operating assets11Decrease (increase) in operating assets12Increase (decrease) in operating aspable and related party payable1,29Increase (decrease) in accounts payable and related party payable1,29Increase (decrease) in operating activities144Cost and adjustments6,32Net cash used in operating activities2,97Purchase of investments2,97Purchase of investments2,97Purchase of investments2,97Purchase of property and equipment(84Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11Acquisition of patents and trademarks(61)Cash Flows from Snow provided by investing activities3,50Net proceeds from secure of profered stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44Acquisition of patents and trademarks(61)Cash Flows from Since de profered stock and warrants3,50Net proceeds from issuance of preferred stock and warrants3,50Net proceeds (expenses) from exerci	5,474)	(40,374
Abandoned offering costs 31. Interest expense paid by issuance of preferred stock and warrants 99. Restructuring and impairment charge 2.92. Increase in inventory reserve 25. Bond discount amortization 43. Changes in operating assets and liabilities 43. Changes in operating assets and liabilities (10. (Increase) decrease in accounts receivable, net (39. (Increase) decrease in inventories (31. Decrease (increase) in prepaid expenses 26. Decrease (increase) in prepaid expenses 11. Increase (decrease) in accounts payable and related party payable 1,29. Increase in accrued compensation and benefits 11. (Decrease (increase) in operating activities (4,04. Cash Flows from Investing Activities: 29.7 Purchase of investments 29.7 Purchase of property and equipment (84. Acquisition of Advanced Lighting Systems, LLC, net of cash acquired (24. Acquisition of patents and trademarks (16. Vert cash (used in) provided by investing activities 35.0 Net cash (used in) provided so properis on tones cock and warrants 3.6.	—	1,125
Interest expense paid by issuance of preferred stock and warrants9Restructuring and impairment charge2.92Increase in inventory reserve25Bond discount amortization43Stock-based compensation43Changes in operating assets and liabilities(39(Increase) decrease in accounts receivable, net(39(Increase) decrease in inventories(31Decrease (increase) in other assets1Increase (increase) in other assets1Increase (increase) in other assets1(Decrease) in crease in accounts payable and related party payable1,29Increase (increase) in operating activities6,32Vectase in accrued compensation and benefits11(Decrease) in operating activities6,32Net cash used in operating activities2,97Purchase of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of patents and trademarks(16Net cash (used in) provided by investing activities(11Cash Flows from Financing Activities:2,97Payments on promissory note(0Proceeds from secured promissory notes3,50Net (repayments) borrowings on revolving line of credit(1,44Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31Deferred financing costs(16Cost associated with Class B common stock conversion <t< td=""><td>8,271</td><td>_</td></t<>	8,271	_
Restructuring and impairment charge2,92Increase in inventory reserve25Bond discount amortization31Stock-based compensation431Changes in operating assets and liabilities(1(Increase) decrease in accounts receivable, net(39(Increase) decrease in inventories(31Decrease (increase) in orten assets1Decrease (increase) in other assets1Increase (decrease) in accounts payable and related party payable1,29Increase in accrued compensation and benefits11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04)Cash Flows from Investing Activities:2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of patents and trademarks(160Net cash (used in) provided by investing activities(404)Cash Flows from Financing Activities:(161)Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(2,46)Acquisition of patents and trademarks(161)Stock from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(14)Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31)Defered financing cox	8,853	
Increase in inventory reserve255Bond discount amortization330Stock-based compensation431Changes in operating assets and liabilities(100(Increase) decrease in accounts receivable, net(392(Increase) decrease in inventories(313Decrease (increase) in orten assets115Increase (decrease) in other assets115Increase in accrued compensation and benefits111(Decrease (increase) in operating activities(144Total adjustments6.322Net cash used in operating activities(4,044Cash Flows from Investing Activities:2,977Purchase of property and equipment(844Acquisition of Lumificient Corporation, net of cash acquired(2,466Acquisition of patents and trademarks(161)Set cash (used in) provided by investing activities3,500Net proceeds from Financing Activities:3,500Payments on promissory note(01)Proceeds from issuance of profered stock and warrants3,500Net proceeds from issuance of prefered stock and warrants3,500Net proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Defered financing costs(161)Cost associated with Class B common stock conversion3,500Net cash provided by financing activities3,500Vet Increase (Decrease) in Cash and Cash Equivalents2,577	2,630	
Bond discount amortization 430 Stock-based compensation 431 Changes in operating assets and liabilities (Increase) decrease in accounts receivable, net (39 (Increase) decrease in inventories (31 Decrease (increase) in prepaid expenses 26 Decrease (increase) in other assets 11 Increase (decrease) in other assets 11 (Decrease) increase in deposits (14 Total adjustments 6.32 Net cash used in operating activities (4,04 Cash Flows from Investing Activities: 2977 Purchase of investments 2977 Purchase of property and equipment (84 Acquisition of Advanced Lighting Systems, LLC, net of cash acquired (11 Acquisition of patents and trademarks (16 Net cash (used in) provided by investing activities (61 Cash Flows from Financing Activities: 33.50 Payments on promissory note ((Proceeds from secured promissory notes 3.50 Net proceeds from issuance of prefered stock and warrants 3.87 Net (repayments) borrowings on revolving line of credit (1.44 Proceeds (expenses) from ex	2,331	
Stock-based compensation430Changes in operating assets and liabilities(1ncrease) decrease in accounts receivable, net(39)(Increase) decrease in inventories(31)Decrease (increase) in prepaid expenses26Decrease (increase) in other assets11Increase (decrease) in accounts payable and related party payable1,29Increase (accrease) in accounts payable and related party payable11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04)Cash Flows from Investing Activities:2,97Purchase of investments2,97Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(11)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(16)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(61)Payments on promissory note(0)Proceeds from secured promissory notes3,500Net proveds from issuance of prefered stock and warrants3,877Net (repayments) borrowings on revolving line of credit(14)Proceeds (expenses) from exercise of employee stock options and warrants, net1,997Cost incurred for abandoned offering(31)Deferred financing costs(16)Cost associated with Class B common stock conversion(31)Net cash provided by financing activities(44)Proceeds (by rowing as on revolving line of credit(14) <td>8,688</td> <td>25,337</td>	8,688	25,337
Changes in operating assets and liabilities (1ncrease) decrease in accounts receivable, net (39) (Increase) decrease in inventories (31) Decrease (increase) in operaid expenses 26 Decrease (increase) in other assets 11 Increase in accounds payable and related party payable 1,29 Increase in accrued compensation and benefits 11 (Decrease) increase in deposits (44 Total adjustments 6,32 Vet cash used in operating activities (4,04) Cash Flows from Investing Activities: 2,97 Purchase of investments 2,97 Purchase of property and equipment (84) Acquisition of Lumificient Corporation, net of cash acquired (2,46) Acquisition of patents and trademarks (16) Net cash (used in) provided by investing activities (61) Cash Flows from Financing Activities: (2,46) Payments on promissory notes 3,500 Net cash (used in) provided by investing activities (61) Cash Flows from Financing Activities: (9) Payments on promissory notes 3,500 Net cash used in operating activities (61) Ca		(18,798
(Increase) decrease in accounts receivable, net(39(Increase) decrease in inventories(31Decrease (increase) in prepaid expenses26Decrease (increase) in other assets11Increase (decrease) in accounts payable and related party payable1,29Increase (increase) in accounts payable and related party payable1,29Increase (increase) in accounts payable and related party payable11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04)Cash Flows from Investing Activities:2,97Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(2,46)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(16)Vet cash (used in) provided by investing activities3,500Net proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31)Deferred financing costs(16)Cost associated with Class B common stock conversion(2,46)Net cash provided by financing activities7,43Vet Increase (Decrease) in Cash and Cash Equivalents2,57	0,100	228,585
(Increase) decrease in inventories(31:Decrease (increase) in prepaid expenses26Decrease (increase) in other assets11Increase (decrease) in accounts payable and related party payable1,29Increase in accrued compensation and benefits11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04:Cash Flows from Investing Activities:2,97Purchase of investments2,97Purchase of property and equipment(84:Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11:Acquisition of patents and trademarks(16:Net cash (used in) provided by investing activities:(61:Payments on promissory note(0)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31:Deferred financing costs(31:Cost associated with Class B common stock conversion(31:Net cash provided by financing activities7,43Net Increase (Decrease) in Cash and Cash Equivalents2,77		
Decrease (increase) in prepaid expenses26Decrease (increase) in other assets1.Increase (decrease) in accounts payable and related party payable1,29Increase in accrued compensation and benefits11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04Cash Flows from Investing Activities:2,97Purchase of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(11Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(16Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:2,50Parpents on promissory note(0)Proceeds from secured promissory notes3,50Net proceeds from secured promissory notes3,50Net proceeds from assure of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31)Deferred financing costs(16Costs associated with Class B common stock conversion7,43Net Lach provided by financing activities7,43Net Increase (Decrease) in Cash and Cash Equivalents2,77	2,055)	31,145
Decrease (increase) in other assets1:Increase (decrease) in accounts payable and related party payable1,29Increase in accrued compensation and benefits11:(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04:Cash Flows from Investing Activities:2,97Purchase of investments2,97Purchase of property and equipment(84:Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(16:Net cash used in provided by investing activities(61:Cash Flows from Financing Activities:(61:Payments on promissory note(0:Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1.44Proceeds (expenses) from exercise of employee stock options and warrants, net1.99Cost incurred for abandoned offering(31:Deferred financing costs(16:Costs associated with Class B common stock conversion(16:Net cash provided by financing activities7,433Net Increase (Decrease) in Cash and Cash Equivalents2,77	2,268)	211,240
Increase (decrease) in accounts payable and related party payable1,29Increase in accrued compensation and benefits11(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04)Cash Flows from Investing Activities:9Purchase of investments2,97Purchase of property and equipment(84)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(160)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:9Payments on promissory note(0)Proceeds from secured promissory notes3,500Net proceeds from secured promissory notes3,500Net (repayments) borrowings on revolving line of credit(1,44)Proceeds from ascured of freing(31)Deferred financing costs(166)Cost incurred for abandoned offering(31)Deferred financing costs(166)Costs associated with Class B common stock conversion(34)Net cash provided by financing activities7,433Net Increase (Decrease) in Cash and Cash Equivalents2,77	1,128	(122,456
Increase in accrued compensation and benefits11.(Decrease) increase in deposits(14Total adjustments6.32Net cash used in operating activities(4,04Cash Flows from Investing Activities:2,97Purchase of investments2,97Proceeds from sale of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11.Acquisition of patents and trademarks(160Vet cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:9Payments on promissory note(1Proceeds from issuance of preferred stock and warrants3,50Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31)Deferred financing costs(166)Costs associated with Class B common stock conversion(166)Net cash provided by financing activities7,433Vet Increase (Decrease) in Cash and Cash Equivalents2,77	5,928	(6,081
(Decrease) increase in deposits(14Total adjustments6,32Net cash used in operating activities(4,04Cash Flows from Investing Activities:Purchase of investmentsPurchase of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(16)Vet cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:3,500Net proceeds from sisuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,99Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,77		(168,244
Total adjustments6,32Net cash used in operating activities(4,04)Cash Flows from Investing Activities:9Purchase of investments2,97Proceeds from sale of investments2,97Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(2,46)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(160)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:3,500Payments on promissory note(0)Proceeds from secured promissory notes3,500Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,997Cost incurred for abandoned offering(31)Deferred financing costs(160)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,77	5,389	35,460
Net cash used in operating activities(4,04)Cash Flows from Investing Activities:Purchase of investmentsPurchase of investments2,97Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(2,46)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(160)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(61)Payments on promissory note(0)Proceeds from secured promissory notes3,500Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,997Cost incurred for abandoned offering(31)Deferred financing costs(160)Costs associated with Class B common stock conversion(7,43)Net Increase (Decrease) in Cash and Cash Equivalents2,774	0,554)	143,581
Cash Flows from Investing Activities:2,97Purchase of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11:Acquisition of patents and trademarks(16:Net cash (used in) provided by investing activities(61:Cash Flows from Financing Activities:(16:Payments on promissory note(17:Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,877Net (repayments) borrowings on revolving line of credit(1,44:Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31:Deferred financing costs(16:Costs associated with Class B common stock conversion7,43:Net Increase (Decrease) in Cash and Cash Equivalents2,77		779,759
Purchase of investments2,97Proceeds from sale of investments2,97Purchase of property and equipment(84Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11Acquisition of patents and trademarks(16Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(16)Payments on promissory note(17)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,877Net (repayments) borrowings on revolving line of credit(1,444)Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775	2,146)	(2,160,377
Proceeds from sale of investments2,97Purchase of property and equipment(84)Acquisition of Lumificient Corporation, net of cash acquired(2,46)Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(16)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(61)Payments on promissory note(1)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,87Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775		
Purchase of property and equipment(844Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(160)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(61)Payments on promissory note(17)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,875Net (repayments) borrowings on revolving line of credit(1,44)Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775	—	(7,094,422
Acquisition of Lumificient Corporation, net of cash acquired(2,46Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11)Acquisition of patents and trademarks(16)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(16)Payments on promissory note(17)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,875Net (repayments) borrowings on revolving line of credit(1,444Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775	5,000	11,109,620
Acquisition of Advanced Lighting Systems, LLC, net of cash acquired(11: Acquisition of patents and trademarksNet cash (used in) provided by investing activities(61: (61: (61: Cash Flows from Financing Activities: Payments on promissory notePayments on promissory note((() Proceeds from issuance of preferred stock and warrants 3,87: Net (repayments) borrowings on revolving line of credit (1,44: Proceeds (expenses) from exercise of employee stock options and warrants, net 1,999 Cost incurred for abandoned offering Deferred financing costs (16) Costs associated with Class B common stock conversion Net cash provided by financing activities7,43: 2,77Net Increase (Decrease) in Cash and Cash Equivalents2,77	2,620)	(589,147
Acquisition of patents and trademarks(16)Net cash (used in) provided by investing activities(61)Cash Flows from Financing Activities:(61)Payments on promissory note((10)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,875Net (repayments) borrowings on revolving line of credit(1,444Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(31)Deferred financing costs(16)Costs associated with Class B common stock conversion7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775	1,934)	
Net cash (used in) provided by investing activities (61) Cash Flows from Financing Activities: (61) Payments on promissory note (7) Proceeds from secured promissory notes 3,500 Net proceeds from issuance of preferred stock and warrants 3,877 Net (repayments) borrowings on revolving line of credit (1,444) Proceeds (expenses) from exercise of employee stock options and warrants, net 1,999 Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,433 Net cash provided by financing activities 7,433 Vet Increase (Decrease) in Cash and Cash Equivalents 2,777	5,756)	(1,818,307
Cash Flows from Financing Activities: (1) Payments on promissory note (1) Proceeds from secured promissory notes 3,500 Net proceeds from issuance of preferred stock and warrants 3,877 Net (repayments) borrowings on revolving line of credit (1,444) Proceeds (expenses) from exercise of employee stock options and warrants, net 1,997 Cost incurred for abandoned offering (317) Deferred financing costs (166) Costs associated with Class B common stock conversion 7,437 Net cash provided by financing activities 7,437 Vet Increase (Decrease) in Cash and Cash Equivalents 2,777	<u>6,909</u>)	(11,621
Payments on promissory note(f)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,877Net (repayments) borrowings on revolving line of credit(1,444Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(314)Deferred financing costs(160)Costs associated with Class B common stock conversion7,433Net cash provided by financing activities7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775	<u>2,219</u>)	1,596,123
Payments on promissory note(f)Proceeds from secured promissory notes3,500Net proceeds from issuance of preferred stock and warrants3,877Net (repayments) borrowings on revolving line of credit(1,444Proceeds (expenses) from exercise of employee stock options and warrants, net1,999Cost incurred for abandoned offering(314)Deferred financing costs(160)Costs associated with Class B common stock conversion7,433Net cash provided by financing activities7,433Net Increase (Decrease) in Cash and Cash Equivalents2,775		
Net proceeds from issuance of preferred stock and warrants 3,87 Net (repayments) borrowings on revolving line of credit (1,44 Proceeds (expenses) from exercise of employee stock options and warrants, net 1,99 Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,43 Net cash provided by financing activities 7,43 Net Increase (Decrease) in Cash and Cash Equivalents 2,77	9,869)	(1,157,846
Net proceeds from issuance of preferred stock and warrants 3,87 Net (repayments) borrowings on revolving line of credit (1,44 Proceeds (expenses) from exercise of employee stock options and warrants, net 1,99 Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,43 Net cash provided by financing activities 7,43 Net Increase (Decrease) in Cash and Cash Equivalents 2,77	0,000	
Net (repayments) borrowings on revolving line of credit (1,44 Proceeds (expenses) from exercise of employee stock options and warrants, net 1,99 Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,43 Net cash provided by financing activities 7,43 Net Increase (Decrease) in Cash and Cash Equivalents 2,77	2,633	_
Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,43) Net cash provided by financing activities 7,43) Net Increase (Decrease) in Cash and Cash Equivalents 2,77)	3,000)	1,443,000
Cost incurred for abandoned offering (31) Deferred financing costs (16) Costs associated with Class B common stock conversion 7,43) Net cash provided by financing activities 7,43) Net Increase (Decrease) in Cash and Cash Equivalents 2,77)	7,878	(75,674
Costs associated with Class B common stock conversion Net cash provided by financing activities 7,433 Net Increase (Decrease) in Cash and Cash Equivalents 2,775	8,853)	
Net cash provided by financing activities7,43Net Increase (Decrease) in Cash and Cash Equivalents2,77	6,058)	_
Net Increase (Decrease) in Cash and Cash Equivalents 2,77		(6,141
Net Increase (Decrease) in Cash and Cash Equivalents 2,77	2,731	203,339
		(360,915
ash and Cash Edulyalents beginning of period	0,266	531,181
	8,632	\$ 170,266
	0,052	\$ 170,200
Supplemental Disclosure of Cash Flow Information:	0.000	A 20.046
	2,802	\$ 38,940
Non-cash investing and financing activities:		¢ 0(0.1(0
Deferred rent incurred for leasehold improvement credit \$	7 100	\$ 269,160
	7,188	1 005 000
	1,063 2,630	1,235,000

NEXXUS LIGHTING, INC. RECONCILIATION OF NON-GAAP TO GAAP

The following table reconciles the GAAP measure net loss to the non-GAAP financial measure EBITDA:

		Year Ended December 31,		
	2008	2007	Change	%
Net Loss	\$(10,369,953)	\$(2,940,136)	\$7,429,817	253%
Plus:				
Interest expense	323,208	38,940	284,268	730%
Depreciation and amortization	677,439	459,239	218,200	48%
Taxes				
EBITDA	\$ (9,369,306)	\$(2,441,957)	\$6,927,349	(284)%