

BuyersStrike!

It Was Dark Over Westphalia

What Exchange Won't Cytodyn be Listed on this Week? (CYDY)

Remember back in July when everyone's favorite reverse-merger pink sheet Coronacraper, **Cytodyn (CYDY)** told investors that they **expected to meet with the FDA within weeks?** Well, get ready for rejection because the company revealed this morning, (<https://finance.yahoo.com/news/avoid-delay-fda-recommends-cytodyn-073600658.html>) that the FDA has basically told them to go pound sand.

VANCOUVER, Washington, Aug. 20, 2020 (GLOBE NEWSWIRE) -- **CytoDyn Inc. (OTC:QB: CYDY)**, ("CytoDyn" or the "Company"), a late-stage biotechnology company developing leronlimab (PRO 140), a CCR5 antagonist with the potential for multiple therapeutic indications, announced today it will conduct its Type A meeting in writing in lieu of a teleconference with the U.S. Food and Drug Administration (FDA). The FDA has agreed to respond to the Company's

Of course **The NaDDir*** is spinning this as a way to save time. Which in some ways it is. The FDA should not be wasting its time talking to these clowns. And speaking of rejections, which readers remember when **Cytodyn (CYDY)** told investors that they **expected to be listed on the NASDAQ** within 5 to 6 weeks?

07/27/2020 14:16:25 [BT]

Michael D. Mulholland, Chief Financial Officer:
Thanks, Nader. Exciting time for the company, and good morning. Quick update on the NASDAQ application and review process. Think of it in terms of about a 5 to 6-week process. Last week was week number one. We are now well into week two. Next week, week three we expect to receive a comment letter from the NASDAQ uplisting staff. Our team will assemble and respond promptly to any additional follow-on questions they have. And so as we look ahead week five on the continuum is about mid-August and at the outside, week six is about the third week in August.

Naturally that timetable wasn't aggressive enough for **The NaDDir***, he needed to rally the faithful. He and his trusty CFO continued:

Nader Z. Pourhassan, President, Chief Executive Officer, Director: Thank you, Mike. So what is the chances of us getting a NASDAQ within three weeks? Can you update?

Michael D. Mulholland, Chief Financial Officer:
It's reasonable. I would put it around 3 weeks to 4 weeks.

That's right, **The NaDDir*** was winding up the **Cytodummies** to expect a listing within three weeks. Poor **Mike Mulholland** tried to temper expectations just a little bit, to three to four weeks. Well here we are, the full six weeks later, and it's time for a **BuyersStrike!** prediction. Are you ready? The prediction from the head curmudgeon here at HQ:

Cytodyn (CYDY) will not get "uplisted" to the NASDAQ. Not to the Nasdaq Capital Market, not to the Nasdaq Global Market, and certainly not to the Nasdaq Global Select Market.

Why not?

Simple math. Here are the listing standards for the Nasdaq Capital Market, the least stringent of the Nasdaq tiers:

Nasdaq Capital Market: Financial and Liquidity Requirements

Companies must meet all of the criteria under at least one of the three standards below.

Requirements	Equity Standard	Market Value of Listed Securities Standard*	Net Income Standard
Listing Rules	<u>5505(a) and 5505(b)(1)</u>	<u>5505(a) and 5505(b)(2)</u>	<u>5505(a) and 5505(b)(3)</u>
Stockholders' Equity	\$5 million	\$4 million	\$4 million
Market Value of Unrestricted Publicly Held Shares	\$15 million	\$15 million	\$5 million
Operating History	2 years	---	---
Market Value of Listed Securities	---	\$50 million	---
Net Income from Continuing Operations (in the latest fiscal year or in two of the last three fiscal years)	---	---	\$750,000
Unrestricted Publicly Held Shares	1 million	1 million	1 million
Unrestricted Round Lot Shareholders**	300	300	300
Market Makers	3	3	3
Bid Price OR Closing Price***	\$4 OR \$3	\$4 OR \$2	\$4 OR \$3

A company seeking to list must meet **all** of the criteria under **one** of the three standards. Unfortunately for Cytodyn, it fails to meet the requirements for all three standards. Based on the most recent audited financials, filed by the company on August 14, 2020 (available [here](https://content.equisolve.net/sec/0001193125-20-220598/d923315d10k.htm)) (<https://content.equisolve.net/sec/0001193125-20-220598/d923315d10k.htm>), it fails the **Stockholder's Equity** test. That information is on the **Balance Sheet** which can be found on page 76 (Don't know what a **Balance Sheet** is? Don't know what **Stockholder's Equity** is? Well then, **you are PERFECT** for Cytodyn, and the bucket shop brokers at Paulson probably have many more shitstocks for you). Here is the relevant section:

Stockholders' (Deficit) equity

Preferred Stock, \$0.001 par value; 5,000,000 shares authorized		
Series D convertible preferred stock, \$0.001 par value; 11,737 authorized; 8,452 and 0 issued and outstanding at May 31, 2020 and May 31, 2019, respectively	8	—
Series C convertible preferred stock, \$0.001 par value; 8,203 authorized; 8,203 and 3,246 issued and outstanding at May 31, 2020 and May 31, 2019, respectively	8	3
Series B convertible preferred stock, \$0.001 par value; 400,000 shares authorized, 92,100 shares issued and outstanding at May 31, 2020 and May 31, 2019, respectively	92	92
Common stock, \$0.001 par value; 700,000,000 shares authorized, 519,261,580 and 329,554,763 issued and 518,975,572 and 329,395,752 outstanding at May 31, 2020 and May 31, 2019, respectively	519,262	329,555
Additional paid-in capital	351,711,333	220,119,856
Accumulated (deficit)	(354,710,895)	(229,363,407)
Less: treasury stock, \$0.001 par value (286,008 and 159,011 shares at May 31, 2020 and May 31, 2019, respectively)	(286)	(159)
Total stockholders' (deficit)	(2,480,478)	(8,914,060)
Total liabilities and stockholders' (deficit) equity	\$ 50,514,135	\$ 20,874,125

Ooops, there is no Stockholder's Equity, there is a **deficit**. The **Stockholder's Equity** is **NEGATIVE**. And unfortunately for Cytodyn longs dreaming of a listing on Nasdaq, **-2.4mm < the required \$4mm or \$5mm**.

There is no way, under these listing standards, for Cytodyn to get a listing.

But wait, the Cytodummies may say, what IF we somehow met the Shareholder's Equity requirements?

Even then the company would not qualify. Why?

* Currently traded companies qualifying solely under the Market Value Standard must meet the \$50 million Market Value of Listed Securities and the applicable bid price requirement for 90 consecutive trading days before applying.

The company's shares must meet the applicable bid price requirement for 90 consecutive trading days before applying. If the company really did apply on July 15th or so, they would not qualify. Why not? Easy. The bid price requirement of \$4 was violated not even 30 trading days before the company applied.

Fr 07/17/20			Fr 06/26/20	6.93
Th 07/16/20			Th 06/25/20	6.15
We 07/15/20	5.13	8,098,345	We 06/24/20	4.99
Tu 07/14/20	4.845	9,957,455	Tu 06/23/20	4.48
Mo 07/13/20	3.70	21,148,854	Mo 06/22/20	4.17
Fr 07/10/20	4.73	8,737,672	Fr 06/19/20	3.68
Th 07/09/20	5.215	8,690,082	Th 06/18/20	3.20
We 07/08/20	5.34	14,052,747	We 06/17/20	3.07
Tu 07/07/20	5.93	6,355,909	Tu 06/16/20	3.065
Mo 07/06/20	6.41	7,840,444	Mo 06/15/20	3.12
Fr 07/03/20			Fr 06/12/20	3.09
Th 07/02/20	6.08	9,476,546	Th 06/11/20	3.08
We 07/01/20	6.48	17,025,229	We 06/10/20	2.95
Tu 06/30/20	5.68	56,325,777	Tu 06/09/20	2.85
Mo 06/29/20 H	8.77	18,052,864	Mo 06/08/20	2.81

But but but, cry the Cytodummies, what about the **Closing Price Alternative**? Great question. Let's examine it,

*** To qualify under the closing price alternative, a company must have: (i) average annual revenues of \$6 million for three years, or (ii) net tangible assets of \$5 million, or (iii) net tangible assets of \$2 million and a 3 year operating history, in addition to satisfying the other financial and liquidity requirements listed above.

Under this alternative test, the company needs to meet the lower closing price bar and the **Net Tangible Assets** test. What's that? [Here's](https://www.investopedia.com/terms/n/nettangibleassets.asp) (https://www.investopedia.com/terms/n/nettangibleassets.asp) a definition.

Net tangible assets are calculated as the total assets of a company, minus any intangible assets such as goodwill, patents, and trademarks, less all liabilities and the par value of preferred stock. In other words, its focus is on physical assets such as property, plant, and equipment, as well as inventories and cash instruments.

To simplify: **Net Tangible Assets = Total Assets – Intangible Assets – Total Liabilities – Par Value of Pfd Stock**

Where to find this information? Remember that pesky **Balance Sheet**? Let's take another look:

	<u>May 31, 2020</u>
Assets	
Current assets:	
Cash	\$ 14,281,830
Restricted cash	10,000
Inventories	19,146,678
Miscellaneous receivables	—
Prepaid expenses	498,005
Prepaid service fees	2,890,519
Total current assets	<u>36,827,032</u>
Operating lease right-of-use assets	175,743
Property, plant and equipment	55,488
Intangibles, net	13,455,872
Total assets	<u>\$ 50,514,135</u>

OK, we have our **Total Assets** of 50,514,135 and our **Intangible Assets** of 13,455,872.

Total Liabilities	<u>\$ 52,994,613</u>
--------------------------	----------------------

Our **Total Liabilities** of 52,994,613.

Preferred Stock, \$0.001 par value; 5,000,000 shares authorized	8
Series D convertible preferred stock, \$0.001 par value; 11,737 authorized; 8,452 and 0 issued and outstanding at May 31, 2020 and May 31, 2019, respectively	8
Series C convertible preferred stock, \$0.001 par value; 8,203 authorized; 8,203 and 3,246 issued and outstanding at May 31, 2020 and May 31, 2019, respectively	8
Series B convertible preferred stock, \$0.001 par value; 400,000 shares authorized; 92,100 shares issued and outstanding at May 31, 2020 and May 31, 2019, respectively	<u>92</u>

And a tiny amount of **Par Value of Pfd** of \$108.

Plugging those numbers into the very difficult NTA formula gives us the following:

50,514,135 - 13,455,872 - 52,994,613 - 108 = -15,936,350

Double Ooops! Cytodyn's Net Tangible Assets are negative. Last time we checked here at BuyersStrike HQ! -15mm was less than +2mm. Which means the company cannot use the Closing Price Alternative.

Of course, the company had to have known all of this. Management must have known that their just for show application was doomed to failure at the time of the application. And they certainly knew it on each and every one of The NaDDir's* misleading hype-filled conference calls and paid promotional webcasts since.

THE CONTENT CONTAINED IN THIS BLOG REPRESENTS ONLY THE OPINIONS OF THE AUTHOR. THE AUTHOR MAY HOLD EITHER LONG OR SHORT POSITIONS IN SECURITIES OF VARIOUS COMPANIES DISCUSSED IN THE BLOG. THIS COMMENTARY IN NO WAY CONSTITUTES INVESTMENT ADVICE, AND SHOULD NEVER BE RELIED ON IN MAKING AN INVESTMENT DECISION, EVER. THIS BLOG IS NOT A SOLICITATION OF BUSINESS: ALL INQUIRIES WILL BE IGNORED. THE CONTENT HEREIN IS INTENDED SOLELY FOR THE ENTERTAINMENT OF THE READER, AND THE AUTHOR.



* Spelled Thusly For A Double Dose of That Sweet Sweet Stock Pimping

Posted in [Bad Directors](#), [Bio-Dreck](#), [Bucket Shops](#), [CoronaCrap](#), [Fail](#), [Reverse Mergers](#) on [August 20, 2020](#) by [BuyersStrike!](#) [13 Comments](#)

13 comments

1. [Google Pump & Dump](#) says:

[August 20, 2020 at 2:12 pm](#)

The question I have is the stockholders' equity based on only public filings (10K/10Q) or can it be on interim data. -\$2.5mm + 7.8mm warrants, + 10.8mm warrant/stock options exercised + 9.5mm conversion of debt to equity = \$25.7mm stockholders equity. Well that's great but the 10Q is going to be ugly. Last Q they lost \$35mm from operations and this Q they will have at least 2mm of inducement expenses and finance charges. So you're at a \$37mm loss which gets them to -11mm 1Q Stockholders' equity + any change in fair value of derivatives, which won't be more than \$16mm.

[REPLY](#)

1. [BuyersStrike!](#) says:

[August 20, 2020 at 2:28 pm](#)

Good question. According to Rule 5505 "For purposes of this paragraph (B), net tangible assets or average revenues must be demonstrated on the Company's most recently filed audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority, and which are dated less than 15 months prior to the date of listing."

It is all moot anyway. as under the Equity Standard they would still need to meet the Closing Price or Bid Price Standards. Cytodyn currently fails both, because of the Net Tangible Assets test.

[REPLY](#)

1. [Curious George](#) says:

[September 1, 2020 at 3:36 pm](#)

When looking at the 10K and the notes, don't the items Google Pump & Dump mentions change net tangible assets? -15.9mm + 7.8mm from warrants exchange + 10.8mm from warrants/stock options exercised + 9.5mm debt conversion to equity = 12.2mm. Tangentially, stock dilution is concerning.

2. [BuyersStrike!](#) says:

[September 1, 2020 at 3:45 pm](#)

Another good question. The adjustments that GoogleP&D notes all happened AFTER the end of the fiscal year. Which means they will appear on next year's audited financial statements. Barring a miracle, the Nasdaq will not accept un-audited financials and Cytoscam will have to reapply next August.

2. [John Q Shareholder](#) says:

[August 20, 2020 at 3:27 pm](#)

Still no name? Sign your work sport!

[It's Chief Curmudgeon. What's yours, Moron in Des Moines? If you do have any factual arguments relating to Cytodyn and its pathetic attempts to list on Nasdaq, please feel free to present them. -- Editor]

[REPLY](#)

3. [Joseph Clyde](#) says:

[August 20, 2020 at 4:36 pm](#)

Dear B. Striker, (were you the neurotic pilot in Airplane!?? Related?) Question of the Day: What reputable media outlet will this hit piece written by a person too ashamed to include their name on the byline be excluded from? ALL OF THEM! Don't you practice any standard journalism ethics? It might lead you out of the gutter so you can cash your paychecks with a clear conscience. The seeds you sow create doubt and may delay awareness and approval and people will die, while you rake in blood money. No ethics, no conscience, no humanity makes for the darkest of souls.

[Well that is where my drinking problem started. As for delaying awareness and approval and "SAVING LIVES" no need to fret, **loserlimab** has not, will not, and never will, save anyone from anything. Absolutely no one will die from not getting **loserlimab**. We'll explore exactly why it doesn't do much (and what it does do is easily done by other already approved drugs). Stay tuned. -- Editor]

[REPLY](#)

4. [CYDY hater](#) says:

[August 26, 2020 at 4:07 am](#)

I'd be the first one shit on CYDY but just because they asked for a conference does not mean it's pound sand. No meetings are in person due to Covid

[The FDA wouldn't even get on a phone call with the Klown Krew at Cytodyn. The FDA absolutely told those con artists to go pound sand. Multiple BTD requests denied, multiple Expanded Access requests denied, filing of the BLA denied, and most recently a phone call to talk about the BLA -- also DENIED! -- Editor]

[REPLY](#)

5. Pingback: [But Teh Science Be So Gud: Part 1 -- A Brief History of Loserlimab -- CYDY | BuyersStrike!](#)

6. Pingback: [Who Else Is Suing Cytodyn Now? \(CYDY\) | BuyersStrike!](#)

7. Pingback: [Reader Mailbag -- Breakthrough Therapy Edition \(CYDY\) | BuyersStrike!](#)

8. Pingback: [Update: What Exchange Won't Cytodyn Be Listed On This Month/Quarter/Year? \(CYDY\) | BuyersStrike!](#)

9. Pingback: [Christmas Week Quick Take 2: What NASDAQ Listing Nonsense Are The Cytodyn Shills Spewing Today? \(CYDY\) | BuyersStrike!](#)

10. Pingback: [Cytodyn CONFERENCE Call Preview \(CYDY\) | BuyersStrike!](#)

This site uses Akismet to reduce spam. [Learn how your comment data is processed.](#)

[BLOG AT WORDPRESS.COM.](#)