SAMARITAN PHARMACEUTICALS INC
Form 10QSB
November 14, 2002

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

Form 10-QSB

(Mark One)

X QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal quarter ended September 30, 2002
Or

TRANSITIONAL REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to_____
Commissions file number 000-26775

Samaritan Pharmaceuticals Inc.
(Name of small business issuer in its charter)

Nevada	88-0380402
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

101 Convention Center Drive, Suite 310, Las Vegas, Nevada	89109
(Address of Principal Executive Offices)	(Zip Code)

(702) 735-7001
Issuer's telephone number

The company had 60,755,960 shares issued and outstanding of the Common Stock issued as of September 30, 2002.

Transitional Small Business Disclosure Format (Check one): Yes___ No X

SAMARITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

TABLE OF CONTENTS

PART I --- FINANCIAL INFORMATION

SAMARITAN PHARMACEUTICALS, INC.

(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED, BALANCE SHEET
(UNAUDITED)

SEPTEMBER 30, 2002

ASSETS

CURRENT ASSETS:		
Cash	$	419,064
Prepaid expense		9,261
TOTAL CURRENT ASSETS		428,325
PROPERTY AND EQUIPMENT		22,341
OTHER ASSETS:		
Offering costs		2,284
Patent registration costs		220,785
Purchased technology rights		55,395
Deposits		15,720
TOTAL CURRENT LIABILITIES		294,184
TOTAL ASSETS	$	744,850

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:	
Accounts payable	$ 279,383
Accrued expenses	542,755
Common stock to be issued	88,000
Short-term borrowings	353,641
TOTAL CURRENT LIABILITIES	1,263,779
DEFERRED REVENUE	250,000
STOCKHOLDERS' DEFICIT:	
Common stock, 100,000,000 share authorized at $.001 par value, 60,137,408 issued and outstanding	60,137
Additional paid-in capital	15,579,150
Deferred compensation	(123,759)
Accumulated deficit	(16,284,457)
TOTAL STOCKHOLDERS' DEFICIT	(768,929)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 744,850

See accompanying notes to the consolidated, interim financial statements (unaudited).

SAMARITAN PHARMACEUTICALS, INC.

(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
FROM INCEPTION (SEPTEMBER 5, 1994), AND FOR THE FOR THE NINE MONTHS AND THREE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	From Inception (September 5, 1994) To September 30, 2002	For the Nine Months Ended September 30, 2002	2001	2
REVENUES:	$ 50,000	$ -	$ -	$

EXPENSES:				
Research and development	3,335,467	531,374	258,567	202,
Interest	39,779	16,414	-	4,
General and administrative	12,133,447	1,612,790	1,608,139	818,
Depreciation and amortization	963,544	387,087	15,810	129,
	16,472,237	2,547,665	1,882,516	1,154,
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(16,422,237)	(2,547,665)	(1,882,516)	(1,154,
Extraordinary item	137,780	-	-	
NET INCOME (LOSS)	$ (16,284,457)	$ (2,547,665)	$ (1,882,516)	$ (1,154,
Loss per share, basic & diluted:				
Before extraordinary item	$ (1.10)	$ (0.05)	$ (0.08)	$ (0
Extraordinary item, per share	0.01	-	-	
Basic and diluted	$ (1.09)	$ (0.05)	$ (0.08)	$ (0
Weighted average number of shares outstanding:				
Basic and diluted	14,901,537	46,939,076	23,587,973	55,355,

See accompanying notes to the consolidated interim financial statements.
(Unaudited)

SAMARITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

FROM INCEPTION (SEPTEMBER 5, 1994) TO JUNE 30, 2002

	Number of Shares	Par Value Common Stock	Reserved for Conversion	Additional Paid in Capital	Warrants	C
Inception at September 5, 1994	-	$ -	$ -	$ -	$ -	$
Shares issued for cash, net of offering costs	6,085,386	609	-	635,481	-	
Warrants issued for cash	-	-	-	-	5,000	
Shares issued as compensation for services	714,500	71	-	1,428,929	-	
Net loss	-	-	-	-	-	

December 31, 1996	6,799,886	680	-	2,064,410	5,000	
Issuance of stock, prior to acquisition	206,350	21	-	371,134	-	
Acquisition of subsidiary for stock	1,503,000	150	-	46,545	-	
Shares of parent redeemed, par value $.001	(8,509,236)	(851)	-	851	-	
Shares of public subsidiary issued, par value $.001	7,689,690	7,690	820	(8,510)	-	
Net loss	-	-	-	-	-	
December 31, 1997	7,689,690	7,690	820	2,474,430	5,000	
Conversion of parent's shares	696,022	696	(696)	-	-	
Shares issued for cash, net of offering costs	693,500	694	-	605,185	-	
Shares issued in cancellation of debt	525,000	525	-	524,475	-	
Shares issued as compensation	400,000	400	-	349,600	-	
Net loss	-	-	-	-	-	
December 31, 1998	10,004,212	10,005	124	3,953,690	5,000	
Conversion of parent's shares	13,000	13	(13)	-	-	
Shares issued in cancellation of debt	30,000	30	-	29,970	-	
Shares issued for cash, net of offering costs	45,000	45	-	41,367	-	
Shares issued as compensation	3,569,250	3,569	-	462,113	-	
Detachable warrants issued	-	-	-	-	152,125	
Detachable warrants exercised	100,000	100	-	148,900	(149,000)	
Debentures converted to stock	1,682,447	1,682	-	640,438	-	
Net loss	-	-	-	-	-	
December 31, 1999	15,443,909	15,444	111	5,276,478	8,125	

See accompanying notes to the consolidated, interim financial statements.

Conversion of parent's shares	128,954	129	(111)	(18)	-	
Shares issued for cash, net of offering costs	1,575,192	1,575	-	858,460	-	
Shares issued in cancellation of debt	875,000	875	-	660,919	-	
Shares issued in cancellation of accounts payable	100,000	100	-	31,165	-	
Shares issued as compensation	3,372,945	3,373	-	2,555,094	-	(
Warrants exercised	38,807	39	-	3,086	(3,125)	
Warrants expired	-	-	-	5,000	(5,000)	
Net loss	-	-	-	-	-	

December 31, 2000	21,534,807	21,535	-	9,390,184	-	(
Shares issued for cash, net of offering costs	6,497,088	6,497	-	1,257,758	-	
Shares issued as compensation	9,162,197	9,162	-	1,558,599	-	(
Shares issued on previously purchased shares	342,607	342	-	188,208	-	
Shares issued in cancellation of accounts payable	200,000	200	-	68,880	-	
Amortization of deferred compensation	-	-	-	-	-	
Stock options issued for services	-	-	-	439,544	-	
Net loss	-	-	-	-	-	
December 31, 2001	37,736,699	$ 37,736	$ -	$12,903,173	$ -	$ (
Shares issued for cash, net of offering costs	11,025,000	11,025	-	1,083,281	-	
Shares issued as compensation	4,289,658	4,290	-	586,417	-	
Shares issued on previously purchased shares	50,000	50	-	4,950	-	
Shares issued in cancellation of accounts payable	3,866,051	3,866	-	539,709	-	
Amortization of deferred compensation	-	-	-	-	-	
Shares issued in cancellation of debt	3,170,000	3,170	-	461,620	-	
Net loss	-	-	-	-	-	
September 30, 2002	60,137,408	$ 60,137	$ -	$15,579,150	$ -	$ (

See accompanying notes to the consolidated, interim financial statements.
(Unaudited)
-5-

SAMARITAN PHARMACEUTICALS, INC.

(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
FROM INCEPTION (SEPTEMBER 5, 1994) AND FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2002 AND 2001

	From Inception (September 5, 1994) To September 30, 2002	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		

Net loss	$	(16,284,457)	$ (
Adjustments to reconcile net loss to net cash used in operating activities:		-	
Depreciation and amortization		962,615	
Expenses paid through issuance of stock		6,018,045	
Stock options issued for services		439,544	
(Increase) decrease in assets:		-	
Prepaids and other current assets		(24,786)	
Increase (decrease) in liabilities:			
Deferred revenue		250,000	
Accounts payable and accrued expenses		1,520,851	
NET CASH USED IN OPERATING ACTIVITIES		(7,118,188)	(
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of technology		(108,969)	
Purchase of furniture and equipment		(65,069)	
Patent registration costs		(220,785)	
NET CASH USED IN INVESTING ACTIVITIES		(394,823)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from warrants		157,125	
Proceeds from debentures		642,120	
Proceeds from stock sales		4,873,132	
Common stock to be issued		281,550	
Offering costs		(2,284)	
Short-term loan repayments		(91,141)	
Short-term loan proceeds		2,071,573	
NET CASH PROVIDED BY FINANCING ACTIVITIES		7,932,075	
CHANGE IN CASH		419,064	
CASH AT BEGINNING OF PERIOD		-	
CASH AT END OF PERIOD	$	419,064	$
NON-CASH FINANCING & INVESTING ACTIVITIES:			
Purchase of net, non-cash assets of subsidiary for stock	$	195	$
Short-term debt retired through issuance of stock	$	2,898,544	$
Issuance of common stock, previously subscribed	$	5,000	$

See accompanying notes to the consolidated, interim financial statements (unaudited).

(A Development Stage Enterprise)

Notes to Consolidated Financial Statements
(Unaudited)
September 30, 2002

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

The interim unaudited consolidated financial statements contained herein includes, in management's opinion, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the company's financial position, results of operations, and cash flows for the periods presented.

The results of operations for the interim period shown on this report are not necessarily indicative of results for a full year. These financial statements should be read in conjunction with the Company's consolidated financial statements and notes for the year ended December 31, 2001 included in the Company's Annual Report on Form 10-KSB.

2. Net Loss Per Share

Basic and diluted net loss per share available to common stockholders has been calculated by dividing net loss by the weighted average number of common shares outstanding during the period. All potential common shares have been excluded from the calculation of weighted average common shares outstanding since their inclusion would be anti-dilutive.

Stock options and warrants to purchase shares of common stock were outstanding at September 30, 2002, but were not included in the computation of diluted net loss per common share because they were anti-dilutive. The exercise of options and warrants outstanding as of September 30, 2002, could generate proceeds to the Company and could potentially dilute earnings per share in the future.

Item 2. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis should be read in conjunction with the Financial Statements appearing elsewhere in this Registration Statement and in conjunction with the discussion responsive thereto under the caption "Management's Discussion and Analysis or Plan of Operation" in our Form 10-KSB filed April 26, 2002. The company undertakes no duty to update forward-looking statements.

Plan of Operations

We are a research and development biopharmaceutical company. Since our inception, we have primarily focused our resources on research and development. To date, none of our proprietary products have reached a commercial stage, and hence, we do not have, nor do we anticipate revenue in the near future. We will continue to have significant general and administrative expenses, including

expenses related to clinical studies, our collaboration with Georgetown University, and patent prosecution. We have funded our operations through a series of private placements and through our agreement with Fusion Capital. The Company believes potential private placements, the agreement with Fusion Capital, and an eventual registered public offering, if successful, will assist the Company in meetings its cash needs, but there is no guarantee. Except for an agreement to sell shares to Fusion Capital Fund II, LLC.("Fusion Capital"), discussed below, no commitment exists for continued investments, or for any underwriting. The company has thus far been able to meet its capital needs, and believes that its extensive discussions with various potential sources of funding may eventually lead to funding agreements.

The Board of Directors directed the officers to file a Form SB-2 registration statement, offer registered securities to the market and/or as part of agreements with shareholders and others to allow them, as selling shareholders, to sell their shares, once received, in a registered offering, as in the case of Fusion Capital. The officers complied and the SEC declared such registration statement effective. Given the Company has been able to substantially meet its cash needs during the past 12 months, and management's estimation of what may occur in the months ahead, the company believes it will be able to continue to find avenues to obtain the capital needed for operations.

On November 13, 2000, we entered into a common stock purchase agreement with Fusion Capital Fund II, LLC, a Chicago-based institutional investor, whereby Fusion Capital agreed, subject to contract terms, to buy $20 million of the Company's common stock. The aggregate equity investment committed to the Company by Fusion Capital is $20 million dollars. These funds will be used to further develop its technology, from preclinical through FDA clinical trials and for possible acquisitions, and other corporate opportunities. More specifically, Fusion Capital has agreed to purchase up to $20 million dollars of common stock over a 50-month period, subject to a three-month extension by the Company. The U.S. Securities & Exchange Commission declared the registration statement effective, which gave the Company the right to sell to Fusion Capital $400,000 of its common stock, on a monthly basis, at a price based upon the market price of the common stock on the date of each sale without any fixed discount to the market price. At the Company's sole option, Fusion Capital can be required to purchase lesser or greater amounts of common stock each month up to what is the remainder of the $20 million dollars, in the aggregate. The Company has the right to control the timing and the amount of stock sold to Fusion Capital. The Company also has the right to terminate the agreement at any time without any additional cost. Other terms and conditions apply.

Summary of Research and Development

Our research programs primarily are aimed at satisfying defined medical needs in the areas of Alzheimer's, Cancer, Cardiovascular, Infectious Diseases, and Neurology and are based on an intellectual property position that, we believe, is both broad and strong. Several of our development programs involve ex vivo technologies in which patients' tissues are manipulated outside the body and, as such, may be less costly to investigate and quicker to develop than in vivo agents. We expect to apply to the U.S. FDA for and receive IND status (Investigational New Drug) for certain technologies to initiate human trials that may commence in the future. During the quarter ended September 30, 2002, we concentrated our efforts on Samaritan Research Laboratories, our research collaboration with Georgetown University, setting up the operations, increasing efficiencies, and streamlining structure. We have an impressive portfolio of technology/opportunities, each of which must compete for resources and priority status.

A key currency in the biotechnology and pharmaceutical market is patents, intellectual property. Our central intellectual property activity has been, and continues to be, the acquisition of patents, development and patent maintenance,

directly in support of our product development. We continue to expend significant funds and efforts on licensed technology and patent protection. In addition, we are continually examining our intellectual property positions in relation to competitive activities and our ability to operate and defend our patent positions in relation to products. We believe that this is a key value element for our continued development.

The process of developing therapeutic drugs requires significant research and product development, as well as, pre-clinical testing and clinical human trials in order to gain FDA regulatory approval. These activities are expected to result in continuing cash outflows. Furthermore we do not expect to generate any meaningful product revenues from our biopharmaceutical programs unless we partner a technology, receiving up-front payments and milestone royalty payments and/or until a clinical candidate completes its clinical trials, obtains regulatory approval for commercialization and is successfully marketed. The risks of developing therapeutic products extend beyond technical and clinical development. In particular, it involves intellectual property rights, the need for substantial capital, competitive and medical economic factors, all of which are continually changing. Any one or more of these factors could cause us to fail to develop any commercially successful products.

We are seeking additional equity funding. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders will be reduced and our stockholders may experience dilution. Samaritan Pharmaceuticals will also seek additional, non-dilutive funding via grants and other similar sources; although to date, Samaritan Pharmaceuticals has not been granted any monies from such funding sources. As a small, newcomer to the biotech industry and as part of the several thousand companies that constitute the public biotech industry, we are not well known. We have initiated efforts to improve the awareness and understanding of our company. We believe, despite the external market conditions, we will be able to successfully accomplish this goal in the long run.

Press Release Highlights

On August 8, 2002 Samaritan Pharmaceuticals Inc., Samaritan Research Labs and Georgetown University, announced that Anticort(R) for HIV, the most mature part of its pipeline, has promising, early, "first blush" data from its FDA Phase II clinical trial. Dr. Greeson, Chairman, CEO and President of Samaritan, stated, "We are currently conducting a detailed analysis of data to submit to peer review journals, present at medical conferences, possibly file for additional patent protections, and prepare for an extensive submission of data to the FDA. It is a lengthy process but we do have the wheels in motion. We expect the FDA to request at least a couple of Phase III human trials to confirm safety and the lack of side effects. So, in our opinion, the future for Anticort(R) looks pretty promising."

On September 5, 2002 Samaritan Pharmaceuticals Inc., Samaritan Research Labs and Georgetown University, announced its Breast Cancer Diagnostic (BC-Aggress Analysis) has enabled Samaritan to be ranked as a key player for advances in breast cancer marker development. Medtech Insight publishes select analyses of technologies, products, and competitors poised to alter the practice of medicine and penetrate, make obsolete, or even create new markets. http://www.medtechinsight.com/ReportA400.html Dr. Janet Greeson, Chairman, President and CEO stated, "We are extremely pleased to have captured the attention of Medtech Insight. Our breast cancer detection research tells us that BC Aggress might allow for a much faster prognosis, where time is critical; and almost a doubling of the current accuracy rate, allowing physicians to feel more confident about their recommendations for treatment with their patients."

On October 16, 2002 Samaritan Pharmaceuticals Inc, Samaritan Research Labs and Georgetown University, announced its intention to showcase the importance and uniqueness of its technology to major pharmaceutical companies around the world for out-licensing opportunities. Dr. Janet Greeson, Chairman, President and CEO stated, "We have transitioned some of our technology to products and believe they are on the road to advancing the practice of medicine. We have concluded that partnering is the right way to go, to accelerate our technology to their next milestones. We have signed CDA's, that is confidentiality agreements, with quite a few pharmaceutical companies; but the process of partnering technology, takes up to, and sometimes over, a year to complete the due diligence process. Over time, each one of these technologies will add substantial value to Samaritan if out-licensed and/or if approved."

Highlights of the main products or technologies closest to out-licensing or commercialization:

(1) An HIV Drug with promising Phase II results.

Early data suggest no serious side effects and (CD4) immune system improvement. The analysis of data is presently being prepared for FDA submission.

(2) A Pharmacological (rat) model for Alzheimer's disease.

Four weeks treatment of a rat results in its loss of memory and Alzheimer's disease-like brain pathology. This model is ideal for pharmaceutical companies and scientists to screen their Alzheimer's drugs for prevention, stabilization of the disease and cures for Alzheimer's disease.

(3) Alzheimer's disease compounds - that offer protection against beta-amyloid neurotoxicity, a condition associated with Alzheimer's disease.

(4) A Peptide therapeutic that binds cholesterol - it can be used to clean the blood of excessive cholesterol in acute high cholesterol conditions.

(5) An Alzheimer's Diagnostic kit - a simple blood test that identifies specific circulating brain steroids that have been oxidized in the brains of Alzheimer's patients.

(6) A Breast Cancer Theranostic kit - this biopsy predicts the aggressiveness of a breast cancer tumor which allows a physician, in a timely manner, to recommend the best and possibly the least invasive treatment for a patient.

Drug Candidate Pipeline

Drug Candidates	Indication	Syn & Pur	Bio Test	Toxic Test	Mech	Metab	In Vivo Test	IND
SP-10	HIV, Alzheimer's (AD)	xxxx	xxxx	xxxx		IP		

SP-02-50	HIV, AD	xxxx	xxxx	xxxx		
SP-222	AD, Neurodegeneration	xxxx	xxxx	xxxx	xxxx	IP
SP-222b	Stem Cell Therapy	xxxx	xxxx	xxxx	xxxx	IP
SP-222c	Cancer	xxxx	xxxx	xxxx	xxxx	IP
SP-223-230	AD, Neurodegeneration	xxxx	xxxx	IP		
SP-1000	High Cholesterol	xxxx	xxxx			
SP-5000	Cancer	xxxx	IP			

*IP = In Progress

Diagnostic/Theranostic Pipeline

Diagnostic Test	In Vitro Testing	Human Testing (Small Sample)	Human Testing (Large Sample)
Breast Cancer	XXXX	XXXX	In Progress
Alzheimer's/Amyloidoisis	XXXX	XXXX	In Progress
Alzheimer's Generation II	XXXX		
Alzheimer's Generation III	XXXX	XXXX	In Progress

The Company has incurred research development stage losses since its inception. These losses consist primarily of research and related expenditures, marketing costs, consulting, and administrative overhead and expenses, incurred while the Company seeks to complete development of its products, which includes clinical human trials to obtain FDA final approval. No significant revenues have been earned by the Company, or cash flow from operations, to help pay these operating needs.

RISK FACTORS

The response to this item is incorporated by reference from the discussion responsive thereto under the caption "Risk Factors" in our Form 10-KSB filed April 26, 2002.

FORWARD-LOOKING STATEMENTS

This report and other oral and written statements made by us to the public contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations that are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in our forward-looking statements. Such statements address the following subjects: our need for and ability to obtain additional capital, including from the sale of equity and/or from federal or other grant sources; our expected future losses; the sufficiency of cash and cash equivalents; our ability to generate revenues; our ability to develop commercially successful products, including our ability to obtain FDA approval to initiate further studies of our potential products and our technologies; the high cost and uncertainty of the research and development of pharmaceutical products; the unpredictability of the duration and results of the U.S. Food and Drug Administration's review of new drug applications; the possible impairment

of our existing, and the inability to obtain new, intellectual property rights and the cost of protecting such rights as well as the cost of obtaining rights from third parties when needed on acceptable terms; our ability to enter into successful partnering relationships with respect to the development and/or commercialization of our product candidates; our dependence on third parties to research, develop, manufacture and commercialize and sell any products developed; our ability to improve awareness and understanding of our company, our technology and our business objectives; whether our predictions about market size and market acceptability of our products will prove true; and our understandings and predictions regarding the utility of our potential products and our technology. Statements in this report expressing our expectations and beliefs regarding our future results or performance are forward-looking statements that involve a number of substantial risks and uncertainties. When used in this Form 10-QSB, the words "anticipate," "believe," "estimate," "expect," "intend," may be," "seek," "plan," "focus," and "potential" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Our actual future results may differ significantly from those stated in any forward-looking statements. As a result of the foregoing and other factors, we may experience material fluctuations in future operating results on a quarterly or annual basis which could materially and adversely affect our business, financial condition, operating results and stock price. We are not under any duty to update any of the forward-looking statements in this report to conform these statements to actual results, unless required by law. For further information, refer to the more specific risks and uncertainties discussed above and throughout this report.

CRITICAL ACCOUNTING POLICIES

A summary of significant accounting policies is included in Note 2 to the audited financial statements included in the Company's annual report on Form 10-KSB for the year ended December 31, 2001. Management believes the application of these policies on a consistent basis enables the Company to provide reliable and useful information about the Company's operating results and financial conditions.

Item 3. Controls and Procedures

(a) Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-14(c) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), within 90 days of the filing date of this report. Based on their evaluation, our principal executive officer and principal accounting officer concluded that Samaritan's disclosure controls and procedures are effective.

(b) There have been no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in paragraph (a) above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The response to this item is incorporated by reference from the discussion responsive thereto under the caption "Legal Proceedings" in our Form 10-KSB filed April 26, 2002 and our Form 10-QSB file August 14, 2002.

Item 2. Changes in Securities.

Securities, unregistered, were sold by the Company in the second quarter of the fiscal year covered by the Report under an exemption from registration. The title of these securities was the Common Stock of the Company. They were sold for cash, unless otherwise noted in this section, they were sold in private transactions to persons believed to be of a class of private investors, acting on their own, comprised of "accredited investors" (as such term is defined in Regulation D of the U.S. Securities and Exchange Commission or "SEC") and a limited number of non-accredited investors. All investors, to the best knowledge of the Company, are not affiliated with the Company, and purchased the shares with apparent investment intent. The Company relied upon, among other possible exemptions, Section 4(2) of the Securities Act of 1933, as amended. It's reliance on said exemption was based upon the fact that no public solicitation was used by the Company in the offer or sale, and that the securities were legend shares, along with a notation at the respective transfer agent, restricting the shares from sale or transfer as is customary with reference to Rule 144 of the SEC. The following information identifies the date, and amount of shares sold during the first quarter:

Date	Name of Class	Amount of Shares	Total Offering
July-September 2002	Common Stock Private Placement 2002	2,160,000	$216,000
July-September 2002	Common Stock Private Placement 2002 (To be Issued)	1,160,000	$116,000
July-September 2002	Compensation for services rendered	211,518	$211,518
July-September 2002	Options Exercised	3,007,657	$408,903

The SEC declared effective the Company's registration statement on Form SB-2, Commission Registration No. 333-52296, on December 20, 2000 (as amended and supplemented from time to time, "Registration Statement"). Under the Registration Statement, certain selling shareholders may sell shares of Common Stock, which is the title of the class of securities registered, acquired from the Company. The Company does not receive any proceeds from the sale of securities being offered by the selling shareholders under the Registration Statement. The Company registered the shares for sale to provide the selling shareholders with freely tradable securities, but the registration of the shares does not necessarily mean that any of the shares will be offered or sold by the selling shareholders. However, we may receive payments under agreements relating to the shares and may receive proceeds from the exercise of warrants. Such proceeds are intended for use as to working capital and other corporate purposes. The offering under the Registration Statement has not terminated. The Registration Statement registered a total of 11,825,000 shares for a total anticipated offering price, subject to conditions, of $20,000,000. The amount of shares sold by the selling shareholder during this quarter is believed to be 890,000 for aggregate proceeds of $129,777. The Company received, under its agreements as noted above, proceeds of $129,777 and incurred, in connection with the registration, estimated expenses of $3,000 for legal, printing, and related offering expenses, with net proceeds to the Company of approximately $126,777 used primarily for working capital, legal fees and for payments to Georgetown University (again not from the sale of the securities under the Registration Statement, but from agreements with the selling shareholders).

Item 6. Exhibits and Reports on Form 8-K.

(a) Reports on Form 8-K.
Samaritan Pharmaceuticals filed two Current Reports on Form 8-K during the third quarter of fiscal 2002.

1) Certification of Janet Greeson, Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Certification of Eugene Boyle, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. 2) Change in registrant's certifying accounting firm.

(b) Exhibits

Listed below are all exhibits filed as part of this report. Some exhibits are filed by the Registrant with the Securities and Exchange Commission pursuant to Rule 12b-32 under the Securities Exchange Act of 1934, as amended.

Exhibits No.	Description
2.1	Agreement and Plan of Reorganization (1)
3.1	Articles of Incorporation, as amended and restated (5)
3.2	By-Laws (3)
4.1	Form of common stock certificate (1)
4.2	1997 Stock Option Plan (1)
4.3	2001 Stock Option Plan (4)
5.1	Form of Opinion re: Legality of Law Offices of Richard Rossi, P.A.
10.1	Assignment between Linda Johnson and the Company dated September 6, 2000. (5)
10.2	Assignment between Linda Johnson and Spectrum Pharmaceuticals Corporation dated May 14, 1999. (5)
10.3	Agreement containing the assignment of U.S. Patent Application 07/233,247 with improvements dated May 22, 1990. (5)
10.4	Agreement between AIDS Research Alliance Agreement and the Company dated March 5, 1999 (1)
10.5	Common Stock Purchase Agreement between Company and Fusion Capital Fund II, LLC, dated November 2, 2000 (2)
10.6	Form of Registration Rights Agreement between Company and Fusion Capital Fund II, LLC. (2)
10.7	First Amendment to Common Stock Purchase Agreement Amendment between Company and Fusion Capital Fund II, LLC dated as of January 3, 2001 (2)
10.8	Agreement between Samaritan Pharmaceuticals, Inc. and Doug Bessert (5)
10.9	Agreement between Samaritan Pharmaceuticals, Inc. and Eugene Boyle (5)
10.1	Agreement between Samaritan Pharmaceuticals, Inc and Janet Greeson (5)
16.1	Letter on change in certifying accountant (6)
21.0	List of Subsidiaries (1)

(1) Filed as an exhibit to Form 10-SB, including any amendments, on July 21, 1999 and incorporated herein by reference. (2) Filed as an exhibit Form SB-2, including any amendments, on December 19, 2000, and incorporated herein by reference. (3) Filed as an exhibit to Form 10KSB, including any amendments, on April 3, 2001 and incorporated herein by reference. (4) Filed as an exhibit to DEF 14 A, including any amendments, on April 3, 2001 and incorporated herein by reference (5) Filed as an exhibit to 10-QSB, including any amendments, on August 14, 2002 and incorporated herein by reference. (6) Filed as an exhibit to Form 8-K, on September 27, 2002 and incorporated herein by reference

13

SIGNATURES

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

SAMARITAN PHARMACEUTICAL, INC

Dated: 14 November, 2002 By: /s/ Eugene Boyle

Eugene Boyle,
CFO

14

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Janet Greeson CEO, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Samaritan Pharmaceuticals, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have

identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: 14 November 2002 /s/ Janet Greeson C.E.O
Janet Greeson C.E.O

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eugene Boyle CFO, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Samaritan Pharmaceuticals, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: 14 November 2002 /s/ Eugene Boyle CFO
Eugene Boyle CFO

16

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Doug Bessert, Vice President, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Samaritan Pharmaceuticals, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent

functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: 14 November 2002 /s/ Doug Bessert
Doug Bessert VP