

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDED REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 10, 2000

AETHLON MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Nevada

33-44567-NY

13-3632859

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No,)

7825 Fay Avenue, Suite 200, La Jolla, California

92037

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including are code (858) 456-5777

Not applicable

(Former name or former address, if changed since last report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Businesses Acquired

Audited financial statements of Cell Activation, Inc. for the years ended December 31, 1999 and 1998.

Financial statements of Cell Activation, Inc. for the Three months ended March 31, 2000 (unaudited).

(b) Pro Forma Financial Information

Pro Forma Statement of Operations for the year ended March 31, 2000

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.

Aethlon Medical, Inc.

/s/ FRANKLYN S. BARRY, JR.

Franklyn S. Barry, Jr., President

Date: November 6, 2000

FINANCIAL STATEMENTS

CELL ACTIVATION, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

DECEMBER 31, 1999
WITH

CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Cell Activation, Inc.  
La Jolla, California

We have audited the accompanying balance sheets of Cell Activation, Inc. (A Development Stage Enterprise) as of December 31, 1999 and 1998, and the related statements of operations and accumulated deficit, and cash flows for the years then ended and for the period from October 31, 1997 (inception) to December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cell Activation, Inc. (A Development Stage Enterprise) as of December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended and from October 31, 1997 (inception) to December 31, 1999 in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and its current liabilities exceed its current assets. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

BALANCE SHEETS  
December 31,

<TABLE>  
<CAPTION>

ASSETS	1999	1998
<S>	<C>	<C>
CURRENT ASSETS:		
Cash	\$ 7,888	\$ 11,270
Total current assets	7,888	11,270
EQUIPMENT	2,586	2,586
ACCUMULATED DEPRECIATION	(560)	(43)
	2,026	2,543
PATENTS AND TRADEMARK	125,352	38,010
	\$ 135,266	\$ 51,823
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 104,633	\$ 22,052
Accrued income taxes	2,400	1,600
Total current liabilities	107,033	23,652
STOCKHOLDERS' EQUITY:		
Common stock, no par value, 100,000,000 shares authorized; 3,900,000 (3,200,000 - 1998) issued and outstanding	95,000	60,000
Deficit accumulated during development stage	(66,767)	(31,829)
Total stockholders' equity	28,233	28,171
	\$ 135,266	\$ 51,823

</TABLE>

See accompanying notes.

CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF OPERATIONS AND  
DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE  
FOR THE YEARS ENDED DECEMBER 31,

<TABLE>  
<CAPTION>

	1999	1998	Cumulative During Development Stage Through December 31, 1999
<S>	<C>	<C>	<C>

INTEREST INCOME	\$ 300	\$ 901	\$ 1,326
EXPENSES:			
Legal fees	26,501	26,043	52,544
Other expenses	3,420	1,000	4,420
Consulting fees	4,000	-	4,000
Travel expenses	-	3,612	3,612
Franchise taxes	800	800	2,400
Interest expense	-	557	557
Depreciation	517	43	560
	-----	-----	-----
	35,238	32,055	68,093
	-----	-----	-----
NET LOSS	(34,938)	(31,154)	(66,767)
DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE - BEGINNING	(31,829)	(675)	-
	-----	-----	-----
DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE - ENDING	\$ (66,767)	\$ (31,829)	\$ (66,767)
	=====	=====	=====

</TABLE>

See accompanying notes.

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CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,

<TABLE>  
<CAPTION>

	1999	1998	Cumulative During Development Stage Through December 31, 1999
	-----	-----	-----
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (34,938)	\$ (31,154)	\$ (66,767)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	517	43	560
Increase in liabilities:			
Accounts payable	20,039	3,370	23,409
Accrued income taxes	800	800	2,400
	-----	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(13,582)	(26,941)	(40,398)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	-	(2,586)	(2,586)
Investment in patents and trademark	(24,800)	(19,328)	(44,128)
	-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(24,800)	(21,914)	(46,714)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	35,000	35,000	95,000
	-----	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	35,000	35,000	95,000
	-----	-----	-----
Net (decrease) increase in cash	(3,382)	(13,855)	7,888
Cash - beginning	11,270	25,125	-
	-----	-----	-----
Cash - ending	\$ 7,888	\$ 11,270	\$ 7,888
	=====	=====	=====
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Cash paid for interest	\$ -	\$ 557	\$ 557
	=====	=====	=====

Patent costs included in liabilities	\$ 62,542	\$ 18,682	\$ 81,224
	=====	=====	=====

</TABLE>

See accompanying notes.

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CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1. - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS - Cell Activation, Inc. (the Company) was formed on October 31, 1997 as a start-up company engaged in research into inappropriate cell activation, the pathological over-reaction of the body's immune system, in various circumstances, causing the white blood cells to exacerbate, rather than ameliorate, the underlying medical issue. Most of the Company's activities have been devoted to the development and filing of patents relating to cell activation.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

EQUIPMENT AND DEPRECIATION - Equipment is recorded at cost and is being depreciated using the straight-line method over an estimated useful life of five years.

PATENTS/TRADEMARK AND AMORTIZATION - During the years ended December 31, 1999 and 1998, the Company capitalized costs relative to obtaining several patents / trademark amounting to \$87,342 and \$38,010, respectively. The Company will begin to amortize these costs over the lives of the patents / trademark, upon issuance.

The Company periodically reviews the recoverability of the carrying value of its intangible assets. In determining whether there is an impairment, the Company compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the asset. In addition, the Company will consider other significant events or changes in the economic and competitive environments that may indicate that the remaining estimated useful lives of its intangibles may warrant revision. At December 31, 1999 and 1998, the Company believed that no impairment of intangibles existed.

COMMON STOCK - During each of the years ended December 31, 1999 and 1998, the Company issued 700,000 shares of common stock for \$.05 per share.

PREFERRED STOCK - The Company is authorized to issue 50,000,000 shares of preferred stock. The rights of this stock may be determined by the Board of Directors upon issuance. As of December 31, 1999 and 1998, there was no preferred stock issued or outstanding.

STOCK OPTIONS - The Company accounts for its stock option plan under APB Opinion No. 25, "Accounting for Stock Issued to Employees," under which no compensation expense is recognized if the fair value of the common stock is equal to or less than the exercise price upon grant. The Company has adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," (SFAS No. 123) for disclosure purposes only; accordingly, no compensation expense has been recognized in the results of operations for its stock option plans in conformity with APB Opinion No. 25.

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CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1. - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

RESEARCH, DEVELOPMENTAL AND ORGANIZATIONAL COSTS - Research, developmental and organizational costs are expensed as incurred.

INCOME TAXES - Income taxes are computed in accordance with Financial Accounting Standards Board Statement No. 109, Accounting for Income Taxes. Deferred taxes are provided on temporary differences arising from assets and liabilities whose bases are different for financial reporting and income tax purposes.

NOTE 2. - FINANCIAL CONDITION

The Company has sustained substantial operating losses since its inception. Also, its current liabilities exceed its current assets by \$99,145 at December 31, 1999. As discussed in Note 6, subsequent to December 31, 1999, the Company's outstanding stock was acquired by Aethlon Medical, Inc. ("Aethlon"), which is also a Development Stage Enterprise. Management believes that consolidation will provide the basis for the Company to make the transition from a Development Stage Enterprise to commercial operations. Aethlon intends to raise additional capital to continue the research activities of the combined entities. However, there is no assurance that the Company's present plans will be successful.

NOTE 3. - ACCOUNTS PAYABLE

Accounts payable consists of amounts owing to the Company's patent attorney in connection with the development of patents and general counsel for general corporate legal services.

NOTE 4. - STOCK OPTIONS

On December 24, 1997, the Company granted options to two officers/shareholders for the purchase of 2,000,000 shares of common stock of the Company at \$.01 per share. These options become exercisable at a rate of 20% a year, starting one year after the grant date. The options expire on December 23, 2007. No exercises have taken place under these options. These options were valued at \$.004 on the date grant.

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CELL ACTIVATION, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 4. - STOCK OPTIONS (CONTINUED)

If the Company had elected to recognize compensation cost based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, the net loss would not have been significantly different than that reported.

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model based on the following assumptions:

Expected dividend yield	0.0%
Expected stock price volatility	10.0%
Risk-free interest rate	5.0%
Expected life of options	10 Years

NOTE 5. - INCOME TAXES

The Company has approximately \$67,000 in net operating losses as of December 31, 1999 (\$32,000 - 1998) available to offset future taxable income through 2019. The deferred tax asset in the amount of approximately \$15,000 (\$7,000 - 1998), resulting from this carryforward has been fully offset by a valuation allowance as realization is contingent upon the Company generating sufficient taxable income to offset the losses.

NOTE 6. - SUBSEQUENT EVENT

On April 10, 2000, all of the Company's outstanding common stock was exchanged for 99,152 shares of common stock of Aethlon. In addition, all of the

outstanding stock options of the Company were exchanged for options to purchase 50,848 shares of common stock of Aethlon at \$.3933 per share.

Following the sale of the Company, Aethlon initiated negotiations with an independent third party that has a partial interest in certain patents of the Company. It is anticipated that the agreement with the third party will provide for the Company to acquire those partial interests for a payment of \$10,000 in cash or Aethlon common stock and a commitment to pay future royalties to the third party of 1-1/2% of net sales of products derived from those patents.

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Cell Activation, Inc

Balance Sheet  
March 31, 2000  
(Unaudited)

<TABLE>  
<CAPTION>

<S>	ASSETS	<C>
Cash-checking		\$ 2,286.02
Prepaid expenses		600.00
Equipment		2,586.00
Accumulated depreciation		(689.60)
		-----
		1,896.40
Patents and trademarks		141,041.43
		-----
Total assets		\$ 145,823.85
		=====
	LIABILITIES AND STOCKHOLDERS' EQUITY	
Accounts payable-Heller		\$ 114,012.03
Accounts payable-Kennerson		12,175.70
Stockholders' equity:		
Common stock, 100 million shares authorized;		
3,900,000 shares issued and outstanding		95,000.00
Retained deficit		(75,363.88)
		-----
Total stockholders' equity		19,636.12
		-----
Total liabilities and stockholders' equity		\$ 145,823.85
		=====

</TABLE>

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Cell Activation, Inc.

Statement of Operations  
January 1, 2000 to March 31, 2000  
(Unaudited)

<TABLE>  
<CAPTION>

<S>	<C>
Legal fees	\$ 5,865.50
Accounting fees	1,900.00
Depreciation	129.30
Franchise taxes	702.00
	-----
	8,596.80
	-----
Net loss	\$ (8,596.80)
	=====

</TABLE>

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Cell Activation, Inc.  
Statement of Cash Flows  
January 1, 2000 to March 31, 2000  
(Unaudited)

<TABLE>  
<CAPTION>

<b>&lt;S&gt;</b>	<b>&lt;C&gt;</b>
Cash flows from operating activities:	
Net loss	\$ (8,596.80)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation	129.30
Increase in prepaid expenses	(600.00)
Increase (decrease) in liabilities:	
Accounts payable	5,865.50
Accrued liabilities	(2,400.00)
	-----
Net cash provided by operating activities	(5,602.00)
Net decrease in cash	(5,602.00)
Cash-beginning of period	7,888.02
	-----
Cash-end of period	\$ 2,286.02
	=====
Supplemental cash flow disclosures:	
Patent costs included in liabilities	\$ 15,689.18

</TABLE>

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The following unaudited pro forma statement of operations combines the results of operations of Aethlon Medical, Inc. and Cell Activation, Inc. (acquired on April 10, 2000 in a purchase transaction) as if the acquisition had occurred at the beginning of the year ended March 31, 2000. The pro forma statement is based on the individual statements of operations of Aethlon Medical, Inc. for the year ended March 31, 2000 and the statement of income of Cell Activation, Inc. for the same period.

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AETHLON MEDICAL, INC.  
Pro Forma Statement of Operations (Unaudited)  
Fiscal Year Ended March 31, 2000

<TABLE>  
<CAPTION>

<b>&lt;S&gt;</b>	Aethlon Medical <C>	Cell Activation <C>	Pro Forma Adjustments <C>	Combined <C>
<b>REVENUE</b>				
Interest income	\$ -	\$ 189		\$ 189
Other income	20,559	-		20,559
	-----			
Total revenue	20,559	189		20,748
<b>EXPENSES</b>				
Personnel costs	457,629	-		457,629
Interest and debt expense	425,085	-		425,085
Professional fees	254,258	36,267		290,525
Rent and office expense	76,027	-		76,027
Insurance	33,175	-		33,175
Travel and meetings	26,738	-		26,738
Depreciation	11,098	647		11,745
Amortization-patents	8,172	-		8,172



Amortization of goodwill	12,695	-	(a)	119,036	131,731
Laboratory supplies	2,650	-			2,650
Miscellaneous	6,627	600			7,227
Equipment and maintenance	623	-			623
	-----			-----	
Total expenses	1,314,777	37,514		119,036	1,471,329
LOSS BEFORE INCOME TAXES	(1,294,218)	(37,325)		(119,036)	(1,450,579)
PROVISION FOR INCOME TAXES	5,164	1,302		-	6,466
	-----			-----	
NET LOSS	\$ (1,299,382)	\$ (38,627)		\$ (119,036)	\$ (1,457,045)
	=====			=====	
PER SHARE:					
Net loss	\$ (0.50)			\$ (0.54)	
Weighted average number of common shares outstanding	2,612,292				2,711,444

</TABLE>

(a) Amortization of goodwill over a period of 10 years.